

**AN EVALUATION OF THE CONTRIBUTION OF INFORMATION  
AND COMMUNICATIONS TECHNOLOGY (ICT) TO  
CUSTOMER SATISFACTION IN THE BANKING SECTOR IN  
ZIMBABWE. A CASE STUDY OF MBCA BANK (2010-2013).**

**RICHARD JENA                      (R06348J)**

A dissertation submitted in partial fulfillment of the requirements  
for the Master of Business Administration degree.

**GRADUATE SCHOOL OF MANAGEMENT  
FACULTY OF COMMERCE  
UNIVERSITY OF ZIMBABWE**

**August 2013**

**SUPERVISOR: MR. G.MAGARAMOMBE**

# DECLARATION

I, Richard Jena do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the acknowledgements and references and by comments included in the body of the report, and that to the best of my knowledge it has not been submitted in part or full for any other degree to any other university.

.....

Student's Signature

.....

Date

.....

Supervisor's Signature

.....

Date

# **ACKNOWLEDGEMENTS**

First and foremost I thank God for His grace that has enabled me to reach this far.

I would like to thank the GSM staff and all the lecturers who stood the test of times as we soldiered on this long journey, without them I could not have gone this far.

Special thanks go to my supervisor, Mr. G. Magaramombe who stood by me through thick and thin, his guidance is well appreciated.

To my MBA colleagues I say thank you for the ideas, support, sleepless nights and the encouragement that you gave me throughout this long journey.

Lastly, I would like to thank the management of MBCA bank and staff for allowing me to use their organization in my research as well as MBCA bank customers, I salute you all.

## **DEDICATION**

This dissertation is dedicated to my late parents for setting a good foundation for me throughout my studies. They were my pillar of strength.

To my beloved wife and my lovely daughters Ropafadzo and Ruvarashe, I thank you for the support and understanding during this long period I was doing my studies.

## **ABSTRACT**

The intention of this study was to evaluate the contribution of ICT to customer satisfaction in the banking sector in Zimbabwe using a case study of MBCA bank and covering the period June 2010 to June 2013. MBCA bank has invested a lot in systems and technologies in a bid to enhance service delivery. Despite having invested so much in ICT, there is still an apparent lack of understanding of the issues that determine the influence of ICT on the bank to allow smooth coordination of technology and service delivery to the ultimate customers.

A case study using a quantitative approach was applied on a sample of 120 MBCA bank employees and clients. Out of the 120 questionnaires, 77 were successfully completed and returned for analysis which represents a 64% response rate.

The research established that continuous improvement of ICT managed to boost the altitude of customer contentment. The research also managed to highlight that ICT is one of the factors that contribute to customer satisfaction in the banking sector. The research highlighted that staff and management of MBCA bank could not confidently conclude that MBCA customers access the desired information concerning their bank quickly using things like websites and also through e-banking and through customized banking products.

The study recommended MBCA bank to understand its customers through research, building a customer relationship and act on the expectations of customers rather than of the bank itself. It was recommended that the bank should consider introducing new ICT products and increase the level of awareness among existing and prospective customers on the benefits of these products. The bank is recommended to improve on its on-line, real-time banking services to maximize on customer satisfaction. The research also recommended the bank to integrate technology effectively and appropriately to aid service performance. The study recommended a further study into the evaluation of other factors that also affect customer satisfaction in the banking sector.

# TABLE OF CONTENTS

## Table of Contents

DECLARATION.....	ii
ACKNOWLEDGEMENTS .....	iii
DEDICATION.....	iv
ABSTRACT .....	v
TABLE OF CONTENTS .....	vi
LIST TABLES.....	ix
LIST OF FIGURES.....	x
LIST OF ABBREVIATIONS.....	xi
CHAPTER ONE .....	1
INTRODUCTION AND BACKGROUND .....	1
1.0 INTRODUCTION.....	1
1.1 BACKGROUND TO THE STUDY .....	1
1.2 STATEMENT OF THE PROBLEM.....	13
1.3 RESEACRH OBJECTIVES.....	13
1.4 RESEARCH QUESTIONS .....	13
1.5 HYPOTHESES.....	14
1.6 JUSTIFICATION OF THE STUDY .....	14
1.7 SCOPE OF THE STUDY .....	15
1.8 DISSERTATION OUTLINE .....	15
1.9 CHAPTER SUMMARY.....	16
CHAPTER TWO.....	17
LITERATURE REVIEW .....	17
2.0 INTRODUCTION.....	17
2.1 CUSTOMER SATISFACTION IN THE SERVICE INDUSTRY.....	17
2.2 FACTORS THAT INFLUENCE CUSTOMER SATISFACTION.....	18
2.3 IMPACT OF E-BANKING ON CUSTOMER SATISFACTION .....	19
2.4 ADOPTION OF ICT BANKING TO IMPROVE CUSTOMER SATISFACTION.....	19

2.6 IMPACT OF INFORMATION TECHNOLOGY ON E-BANKING.....	20
2.7 ANALYSIS OF CUSTOMER SATISFACTION ON ADOPTION OF INTERNET BANKING .....	22
2.7 CONCEPTUAL FRAMEWORK.....	23
2.8 CHAPTER SUMMARY.....	24
CHAPTER THREE .....	25
RESEARCH METHODOLOGY .....	25
3.0 INTRODUCTION.....	25
3.1 RECAP OF THE STATEMENT OF THE PROBLEM .....	25
3.2 RECAP OF THE STUDY OBJECTIVES .....	25
3.3 METHODOLOGICAL FRAMEWORK.....	26
3.4 THE RESEARCH DESIGN .....	26
3.5 DATA ANALYSIS .....	31
3.7 CHAPTER SUMMARY.....	32
CHAPTER FOUR .....	33
RESULTS PRESENTATION, ANALYSIS AND DISCUSSION .....	33
4.0 INTRODUCTION.....	33
4.1 RESPONSE RATE.....	33
4.2 DEMOGRAPHICS.....	33
4.3 LINK BETWEEN ICT AND CUSTOMER SATISFACTION.....	39
4.6 HYPOTHESES TESTING .....	53
4.7 CHAPTER SUMMARY.....	55
CHAPTER FIVE .....	56
CONCLUSIONS AND RECOMMENDATIONS.....	56
5.0 INRTRODUCTION.....	56
5.1 CONCLUSIONS.....	56
5.4 HYPOTHESIS VALIDATION.....	58
5.4 RECOMMENDATIONS .....	58
5.5 AREAS OF FUTHER STUDY .....	60
5.6 CHAPTER SUMMARY.....	60
REFERENCES.....	61

APPENDIX A.....	70
APPENDIX B.....	75



# LIST TABLES

<b>Tables</b>	<b>Pages</b>
Table 1.1: Structure of the banking sector	2

# LIST OF FIGURES

<b>Figures</b>	<b>Pages</b>
Figure 1.1: organ gram for MBCA bank;	3
Figure 1.2: MBCA ICT Structure	4
Figure 2.3 Conceptual Framework	28
Figure 4.1 Positions of Employees	34
Figure 4.2 Duration working at MBCA	35
Figure 4.3 Duration of customers of MBCA	36
Figure 4.4: ICT and Customer Satisfaction	39
Figure 4.5: Responsiveness	40
Figure 4.6: Equipment	42
Figure 4.7: Reliability	43
Figure 4.8: Internet Banking	44
Figure 4.9: Appropriateness of Equipment	45
Figure 4.10: Appropriateness of Internet Banking	46
Figure 4.11: Appropriateness of Mobile banking	47
Figure 4.12: Credit Cards	48
Figure 4.13: E Bill Pay	49
Figure 4.14: Customer Research	50
Figure 4.15: Measure Customer satisfaction	51
Figure 4.16: Technology	52

## **LIST OF ABBREVIATIONS**

MBCA	Merchant Bank of Central Africa
RBZ	Reserve Bank of Zimbabwe
ATMs	Automated Teller Machines
USD	United States dollars
MANCO	Management Committee
EXCO	Executive Committee
COO	Chief Operating Office
MD	Managing Director
SWOT	Strength, Weaknesses, Opportunities, Threats
PESTEL	Political, Economic, Social, Technological, Ecology, Legal
ICT	Information and Communications Technology
IT	Information Technology
DR	Disaster Recovery
POS	Point of Sale
CRM	Customer Relationship Management
SADC	Southern African Development Community
SPSS	Statistical Package for Social Scientists
IMF	International Monetary Fund
CAM	Customer Asset Management
CE	Customer Equity

RTGS

Real Time Gross Settlement

# **CHAPTER ONE**

## **INTRODUCTION AND BACKGROUND**

### **1.0 INTRODUCTION**

The chapter outlines the background on the ICT issues as they affect banks, and provides an overview of the banking industry and background on the MBCA bank. The chapter also outlines the research objectives together with the research questions, justification of the study, and scope of the study and the dissertation outline.

The intention of the study was to evaluate the contribution of Information and Communications Technology to customer satisfaction in the banking sector in Zimbabwe. According to Sacks and Apostolov (2003) today's rapidly changing global economy is characterized by electronic business, use of advanced information technology and global supply chains. As such banks also affected by this development; the increase in competition among the banks in Zimbabwe will require banks to be technologically advanced in a bid to meet their customer needs.

### **1.1 BACKGROUND TO THE STUDY**

#### **1.1.1 Overview of the Industry**

According to the Monetary Policy issued by the Reserve Bank Governor as at 31 January 2013 there were 22 operating financial institutions, (excluding Interfin which is under curatorship and Royal bank which is under liquidation), 16 asset management companies and 150 microfinance institutions under the supervisory purview of the Reserve bank. The table below shows the current structure of the Zimbabwean banking sector.

Table 1.1 Structure of the banking sector

<b>Type of Institution</b>	<b>Number</b>
<b>Commercial Banks</b>	16
<b>Building Societies</b>	3
<b>Merchant Banks</b>	2
<b>Savings Banks</b>	1
<b>Total Banking Institutions</b>	<b>22</b>
<b>Assets Management Companies</b>	16
<b>Microfinance Institutions</b>	150

Source: [www.rbz.co.zw/mpolicy/mpolicycontent.asp](http://www.rbz.co.zw/mpolicy/mpolicycontent.asp) accessed 23 March 2013

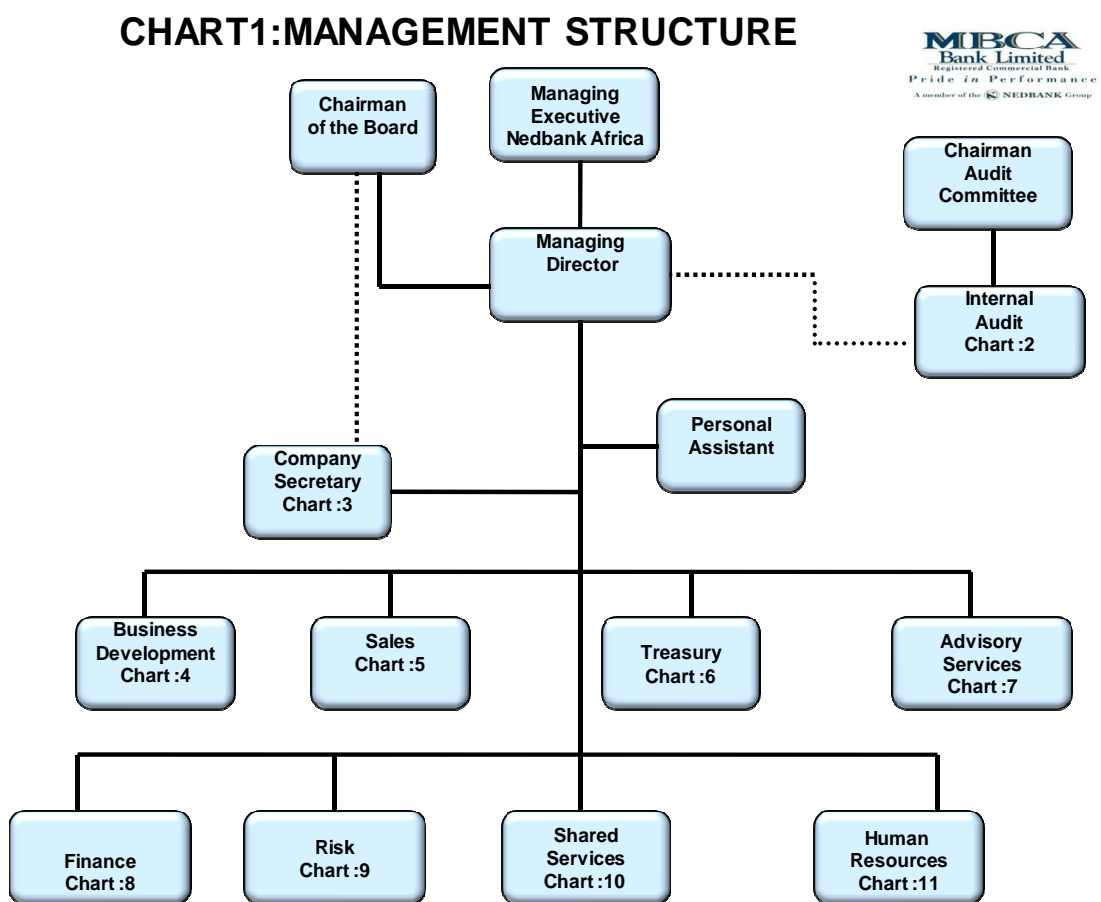
Although the banking sector as a whole has been negatively affected by Royal bank and Interfin, these institutions are small and of low systemic significance, in terms of the volume of assets, deposits and loans falling under their ambit. Their troubled status did not, therefore, affect the entire banking sector.

### 1.1.2 Background of the Organisation

According to the MBCA bank Annual Report (2012), MBCA Limited was established in July 2004 after changing from Zimbabwe oldest merchant bank, Merchant Bank of Central Africa Limited, which was incorporated on 31 July 1956. According to the MBAC bank Annual Report (2012), the bank is a wholly owned subsidiary of MBCA Holdings Limited whose shareholders (directly or indirectly) include:

- Nedbank Bank limited (RSA)
- N M Rothschild & Sons Ltd (UK)
- Old Mutual Zimbabwe Limited
- Mediobanca Banca de Credito Finanziaio (Italy)
- MBCA Employee Share Trust

The 2012 MBCA Annual Report indicated that, privileged with access to the cutting edge of global capital markets through its shareholder network; the bank has numerous correspondent bank relationships in all financial centres worldwide. This enables it to access high level technical expertise and sources of competitive finance on a worldwide basis for the benefit of its clients. The figure below shows an organogram for MBCA bank.

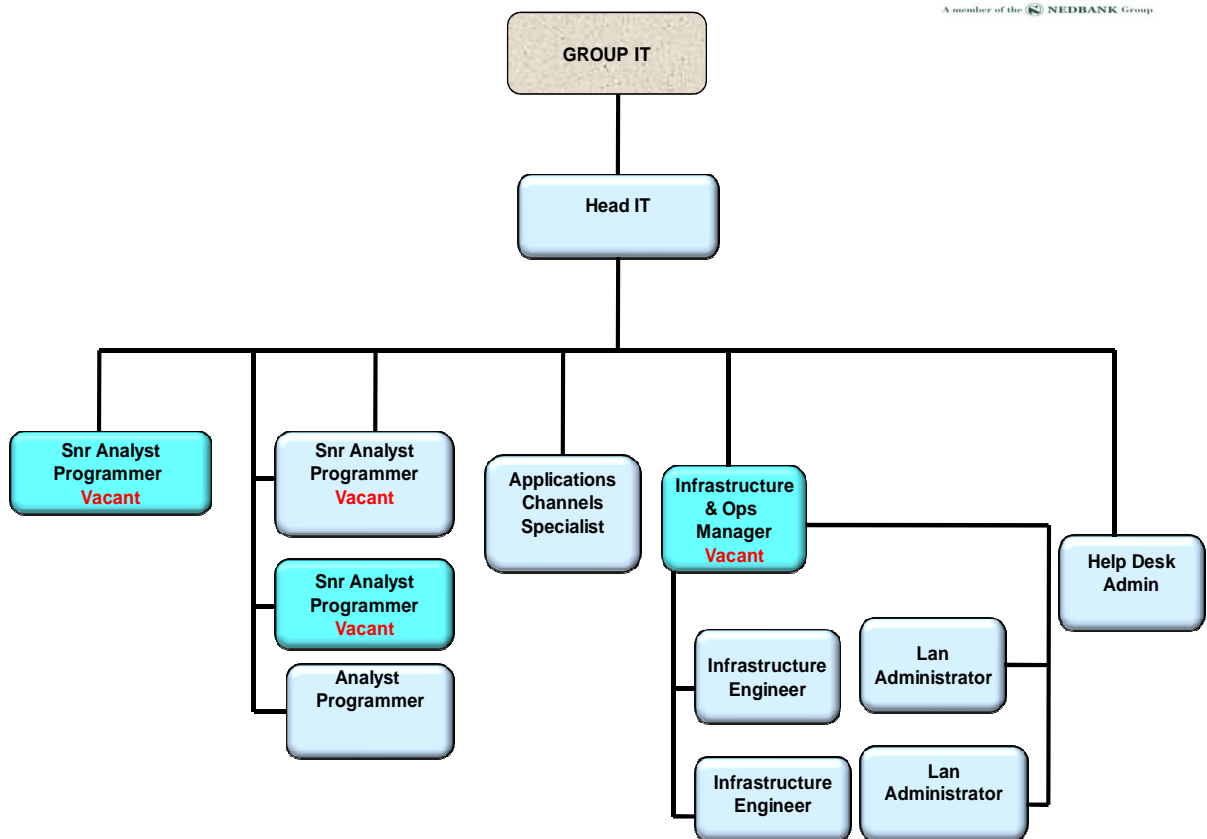


**Figure 1.1: MBCA bank Organisational Structure**

*Source: MBCA bank Human Resources Report (2013)*

MBCA bank is headed by a Managing Director (MD) who has a double reporting to the Managing Executive-Nedbank Africa in South Africa Nedbank and the Board of Directors of MBCA bank. To assist the Managing Director is an Executive Committee (EXCO) which is composed of two Executive Directors responsible for Business Development, Chief Finance Officer, Sales (Retail Banking, Corporate Banking and Treasury) and Chief Operating Officer (Support Services). A management committee (MANCO) made up of all Heads of Department is responsible for the operational management of the business which then feeds on to EXCO. Figure 1.2 below shows the ICT structure for the bank:

**CHART 10(a) INFORMATION COMMUNICATION TECHNOLOGY**



**Figure 1.2: MBCA ICT Structure**

*Source: MBCA bank Human Resources Report (20013)*



MBCA bank Information and Communications Technology is made up of experts in different fields. Banks do offer similar services but to catch the mind of the customers there is need to differentiate on the service provisioning. Information and Communications Technology plays a pivotal role in differentiating service offered to the clients by the bank. To assist the MBCA bank Information and Communications Technology are various experts from Nedbank Group Information Technology and this allows for cross pollination of ideas and skills thereby reducing on the skills gap. MBCA bank Information and Communications Technology department is headed by the head of Information and Communications Technology who reports to the Managing Director.

### **Product Range**

Outlined below is the full range of services that MBCA bank will avail to its clients, from all its strategic business units. The Bank's aim is to provide its subsidiaries with the most competitive service. MBCA international shareholder base enables it to access expertise and finance on a worldwide basis. The Bank's fee structure is designed to encourage maximum utilization of facilities and is subject to negotiation on a case-by-case basis.

MBCA bank offers Corporate Banking, Business Development, Treasury, Advisory Services, Corporate Finance, Project Finance and Retail Banking

MBCA bank Limited opened its first Retail Banking Branch on 1st December 2004 at 99 Jason Moyo Avenue Harare, then followed the opening of branches in Belmont in 2005, Mutare in 2006, Southerton in 2006, Bulawayo Leopold Takawira branch in 2007 and Zvishavane Branch in 2011.

### **Retail Banking Products**

The bank offers the following retail services:

- Foreign currency accounts
- Paynet
- Internet Banking (MBCAnet)

- Bancassurance ( MBCAinsure)
- Travelex Cash Passport

A multi-disciplinary team of professionals is engaged by the Bank to service selected market segments countrywide. The customer facing Divisions are ably and reliably supported for the smooth running of the day to day operations of the Bank by colleagues in Marketing & Public Relations, Human Resources, Finance, Legal & Compliance, Risk Management, Internal Audit, Information and Communication Technology (ICT).

## **1.1.2 Industrial Analysis**

### **1.1.1.1 PESTLE**

The external environment can be analyzed in several ways. Johnson and Scholes (2006) adopt the PECLIST (political, economic, cultural, legal, international, social and technological) analysis. However, according to Mukarati (2005), PESTLE analysis is the best tool to explore the **Political, Economic, Social, Technological, Legal** dynamics affecting businesses in a country. Its weakness however is that this type of analysis gives a snapshot of the concerned factors at a particular point in time thus ignoring the fact that business climate is always evolving. Mukarati (2005) therefore recommends that this analysis be carried out continuously in sympathy with evolving market dynamics. PESTEL was used to analyse the external environment.

#### **Political Factors**

Zimbabwe suffered isolation from the international community and in particular, from the Bretton Woods institutions (The IMF and The World Bank) which resulted in drying up of balance of payments support. Again the commercial banking sector suffered directly and indirectly as they could not access credit lines from offshore markets. The ensuing foreign currency crisis limited their ability to play in the currency markets and in addition

external investment into this sector completely stopped. Zimbabwe continues to suffer politically due to its indigenization policy making it difficult for shareholders to invest under the current political state full of uncertainties. This has negatively affected banks as they were struggling to raise the minimum capital requirement of USD 50 million dollars as required by the Reserve Bank of Zimbabwe ([www.rbz.co.zw/mpolicy/mpolicycontent.asp](http://www.rbz.co.zw/mpolicy/mpolicycontent.asp) accessed 23 March 2013)

### **Economic Factors**

This resulted in the economy being largely informal with unemployment rates climbing from around 70% in 2003 to over 80% by the end of 2008 (CIA World Fact Book, [indexmundi.com/zimbabwe/unemployment\\_rate.html](http://indexmundi.com/zimbabwe/unemployment_rate.html)) accessed 23 March 2013. The companies that remained operational saw capacity utilization dwindling to levels below 35% (The Zimbabwe Independent, 25 July 2008).

The economy was also characterized by an acute shortage of foreign currency which did not only disrupt the normal functioning of the economy but also triggered one of Africa's thriving parallel markets ([www.afrodad.org](http://www.afrodad.org)) accessed 24 March 2013. Real interest rates remained negative discouraging any would be investors from placing their money on the money market. This further constrained operations of players in the financial service sector.

The Commercial banking sector cannot operate in isolation but depends heavily on the manufacturing sector which was on the receiving end of the economic troubles besetting the country. The banking sector was now faced with a dwindling deposit base as the economy became largely informal, low capacity utilization led to a number of companies closing shop again closing one of the tributaries feeding into the banking sector's revenue base. Hyperinflation destroyed the saving culture in the country reducing the capacity for commercial banks to play their traditional intermediary role of taking deposits from surplus units and placing them with deficit units.

## **Social Factors**

Social indicators in the country have been pointing downwards, punctuated by a rapid decline in the social services such as health and education. According to a report by WHO (Global Alert and Response) major hospitals in Zimbabwe shut down their doors in 2008, an outbreak of cholera saw many people losing their lives and HIV and AIDS continue to wreak havoc in the country. A lot of income was lost and this in turn negatively affected the deposit base in the financial sector.

People make up markets hence the reason why businesses are keenly interested in the size and growth of population in different cities, regions and nations, age distribution, educational levels and household patterns ([www.unfpa.org](http://www.unfpa.org) accessed 25 April 2013) There has been a lot of migration to developed countries by the productive age group due to deteriorating social factors. Commercial banks are interested in tracking changing age and family structures, geographic population shifts, educational characteristics, and population diversity as all these affect the banks targeting strategies.

## **Technological Factors**

Nathan Associates (2007) as well as Mukarati (2005) argue that Zimbabwe is in a strong technological position in comparison with other countries in the SADC region outside South Africa. The technological backbone has however been seriously corroded due to the negative impact of political and economic environment on in-bound investments and collaborative business initiatives. Inadequate maintenance coupled with lack of investment has seen Zimbabwe's road and railway infrastructure deteriorating.

Telecommunication infrastructure has not been spared either. It is important to note that financial services sector depends heavily on technology. Foreign currency shortages led to many players failing to advance technologically with many failing to produce ATM cards for their clients. This had negative cost implications to the sector. Persistent

power cuts resulted in loss of valuable time, more wastage and plant damage especially in the manufacturing sector thereby indirectly affecting the financial services sector.

Despite the said problems, the usage of cellular phones and internet has been growing consistently since 2004 (The World Bank, 2009). This meant improved opportunities for Zimbabwean business to exploit the opportunities provided by these technologies.

### **Legal Factors**

The legal environment is critical for the economy at large and the commercial banking sector in particular. Studies on effects of law and financial regulation on output growth showed evidence of strong causal links (DFID, 2004). Levine, Loayza and Beck (2000) show that legal and regulatory changes strengthening contract enforcement, accounting practices among others positively impact financial intermediary development.

Efficient financial markets require an infrastructure of laws, conventions and regulation and most of all, a financial system requires confidence (Herring & Santomero, 1996). Confidence in the financial system encourages investors to allocate their savings through financial markets and institutions rather than to buy non-productive assets as a store of value. Such confidence can therefore be fostered by appropriate regulation of institutions and markets to ensure users of financial services that they will receive fair treatment. Herring & Santomero, (1996) however warn against excessive regulation which can equally stifle the financial community, disrupt financial flows and displace jobs to neighbouring financial centers.

The Reserve Bank of Zimbabwe has in some cases come up with regulations which have been viewed as excessive for example raising statutory reserve requirements to 50 million dollars which did not only reduce the ability of banks to on lend, but investment in the sector has also been negatively affected.

#### **1.1.4 SWOT Analysis**

Rapid Business Improvement, (2007) defined SWOT as a planning tool used to understand the strengths, weaknesses, opportunities and threats involved in a business. It went on further in defining SWOT as a process that generates information that is helpful in matching organizational goals, programmes and capabilities to its social environment. It can also be noted that SWOT analysis is a process that is used to identify the organisation's strength and its vulnerable areas at the same time looking at where the organization should defend its territory and attack.

##### **Strengths**

The bank has robust systems like the T24 which is the core banking system, SWIFT system international payments system, Card printing system, Sybrin which is a cheque management system, MBCAnet which is the internet banking platform, Postilion which drives the ATMs, mukuru.com which is a rand transfer money agent between Zimbabwe and South Africa. The bank has strong lines of credit from Nedbank. The bank has a strong management team with the head having won first run up business woman of the year consecutively from 2012 and 2013 respectively, MBCA bank marketing Report (April 2013).

The bank has strong ethical business practices, and robust risk management framework, and strong institutional track record, and a strong brand built in merchant banking. The bank has good presence in the mining and tobacco.

The bank also has a state of the art server room and another state of the art Disaster recovery centre which is located at Old Mutual Head office in Emerald Hill. MBCA bank has competent IT staff to drive the ICT systems and the infrastructure, (MBCA bank ICT Report April 2013).

For major projects MBCA bank ICT works hand in hand with specialists and certified competent staff from Nedbank resulting in technology and skills cross pollination, and skills gap narrowed. The other strength that MBCA bank possesses is that it has a

vibrant financial muscle which enables it to make use of the latest up to date technology. Nedbank tries to standardize systems and applications across the African countries thereby ensuring that MBCA bank does not lag behind in terms of applications and technology.

### **Weaknesses**

Bureaucracy is the major hindrance, implementation takes time to make as major decisions require board authorization and ultimately Nedbank has to buy as well. Most of the decisions are taken from Nedbank resulting in problem resolution taking ages. Another weakness of MBCA bank is a limited branch network hence affecting service delivery to the customers across the country as some customers have to rely on the POS purchases especially in the absence of branch network cover.

Poor management remuneration packages have resulted in MBCA bank losing critical staff to other players in the market. MBCA bank has a low deposit base and heavy concentration of risk on few big clients.

### **Opportunities**

MBCA bank has an opportunity of riding on Nedbank platform to issue clients with Visa and other various products which it cannot offer due to sanctions.

Procurement of ICT equipment is cheap as Nedbank can buy in bulk for all African countries and MBCA bank also benefits from Microsoft Enterprise Agreement thereby allowing MBCA to acquire Microsoft products cheaply.

### **Threats**

It takes time to implement systems and changes and this negatively affects service delivery. ICT at MBCA bank at times sees opportunities but due to the bureaucracy, it takes time to have things authorized from Nedbank. Another threat is the high rate of ICT employee turnover. ICT personnel are critical staff and they can easily move from one organization to the other in search of better remuneration and working conditions.

The current political state where organizations have adopted a wait-and-see attitude due to fear of the unknown as a result of the forthcoming elections, is another big threat to MBCA bank. The Reserve Bank of Zimbabwe is not yet sound enough to guarantee banks of its role as the lender of last resort resulting in reduced confidence in the banking sector.

Another threat is the unionized staff wage demands which have resulted in negotiation stale mates. High rate of defaulters in the payment of the loans by the clients poses a great risk to MBCA bank. The current economic hardships are fuelling staff frauds some of which audit may not identify.



## **1.2 STATEMENT OF THE PROBLEM**

The use of ICT in Zimbabwe has brought a new dimension in the banking industry and ICT as a competitive tool has become a popular business strategy. Banks have been forced to align their ICT to the organizational strategy. Banks have got systems and hardware in place to facilitate the automation of service delivery. MBCA bank has invested a lot in systems and technology in a bid to enhance service delivery. Despite having invested so much in ICT, there is still an apparent lack of understanding of the issues that determine the influence of ICT on the bank to allow smooth coordination of technology and service delivery to the ultimate customers.

This study therefore seeks to evaluate the contribution of ICT to customer satisfaction in the banking sector in Zimbabwe using a case study of MBCA bank for the period June 2010 to June 2013.

## **1.3 RESEACRH OBJECTIVES**

### **1.3.1 Overall Objectives**

The key objective of this study was to evaluate the contribution of ICT to customer satisfaction.

The specific objectives of this study were as follows:

1. To examine the link between ICT and customer satisfaction at MBCA bank.
2. To determine whether MBCA bank has appropriate ICT in place to foster customer satisfaction
3. To establish how MBCA bank can use ICT to improve customer satisfaction

## **1.4 RESEARCH QUESTIONS**

### **1.4.1 Overall research question**

What is the contribution of ICT to customer satisfaction?

The study answered the following research questions:

1. Is there a link between ICT and customer satisfaction?
2. Does MBCA bank have appropriate ICT in place to foster customer satisfaction?
3. How can MBCA bank use ICT to improve customer satisfaction?

## **1.5 HYPOTHESES**

The researcher came up with the following hypotheses;

H0: Well developed ICT impacts positively on customer satisfaction at MBCA bank.

H1: Under developed ICT impacts negatively on customer satisfaction at MBCA bank.

## **1.6 JUSTIFICATION OF THE STUDY**

Banks in Zimbabwe depend on ICT in their data processing. Information Technology computer systems are very efficient in transaction processing. The information can be used instantly and effortlessly at the push of a button. To this end, the success of any company lies in the timely availability of useful and relevant information at critical moments for decision making. For organisations like banks customers are the users of the ICT initiatives. The resultant information is valuable to management as it gives them an insight into the possible outcomes of different scenarios of possible investment programmes that might be engaged in.

Most banks have not been expanding fully on their ICT, such as CRM, DR, mobile banking, electronic billing and other equipment monitoring tools. It is crucial to analyse how ICT impacts on customer satisfaction.

The findings of the study will provide insight and knowledge on ICT as a strategic tool to increase customer satisfaction. This also entails that the findings of the study will be helpful to the MBCA bank and the banking industry at large. The management team of banks will use the information for strategic decision making pertaining to issues around customer satisfaction and ICT investments.

This study will also benefit the academic community by adding to the body of knowledge on ICT and its link to customer satisfaction. The study also enables the researcher to meet the requirements of the MBA programme at the University of Zimbabwe.

## **1.7 SCOPE OF THE STUDY**

The study evaluated the contribution of ICT to customer satisfaction. The research was based on a case study of MBCA bank head office and its branches across the country covering the period June 2010 to June 2013. The respondents of the study were members of staff and customers of MBCA bank at the following branches:

1. MBCA bank Head Office
2. MBCA bank Jason Moyo branch (Harare)
3. MBCA bank Southerton branch (Harare)
4. MBCA bank Mutare branch
5. MBCA bank Zvishavane branch
6. MBCA bank Leopold Takawira branch (Bulawayo)
7. MBCA bank Belmont branch (Bulawayo)

Evaluation of the contribution of ICT to customer satisfaction was measured on the basis of the ICT products being offered by MBCA to its customers and how efficient and effective they have contributed to customer satisfaction.

## **1.8 DISSERTATION OUTLINE**

The study is made up of five chapters. Chapter one gave the background to the study of MBCA bank. The statement of the problem together with the research objectives are

also contained in chapter one. The research proposition and the significance of the study have also been covered in chapter one. Chapter two centered on reviewing literature on the impact of ICT on customer satisfaction and what other banks in other countries have used ICT in a bid to enhance customer satisfaction. The research methodology, research design, research strategy, research instruments and the sampling techniques are all contained in chapter three. Chapter four covers the analysis and discussion of the research findings. The research conclusions and recommendations are all covered in Chapter.

## **1.9 CHAPTER SUMMARY**

This chapter gave an introduction to the background of the study. The chapter also discussed the role played by ICT to customer satisfaction. It was also highlighted that due to the ever changing technologies in the service industry, MBCA bank had to continuously improve on its services, catching up with the latest up to date technologies in a bid to improve its customer satisfaction.

The chapter also stated the research problem, objectives of the study highlighting its significance. The importance of the study included the improvement of the customer satisfaction through the use of ICT. Improved operation efficiency resulted in less queues in the banks, more revenue collection, enabled banking anywhere anytime by the clients. The research may also form a foundation on the evaluation of other factors that also affect customer satisfaction in the banking sector.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **2.0 INTRODUCTION**

In this chapter literature related to information communication technology and how ICT impacts on customer contentment is reviewed. Furthermore the chapter also gives an overview of how other countries have used ICT technologies such as the internet and mobile banking in a bid to enhance customer satisfaction. The study also focuses on the impact of e-banking on productivity and profitability. From the customer angle the studies primarily focus upon; why customers choose e-banking products and measure the increase of satisfaction. Gay (1992) cited that besides the improvement in the satisfaction level of customers, these services have also helped in reduction of processing and transaction time. The literature review paved way for discussion of findings in chapter four.

### **2.1 CUSTOMER SATISFACTION IN THE SERVICE INDUSTRY**

Cronin and Taylor (1992), advocate that quality precedes satisfaction and on the other hand Heskett et al, (1994) and Anderson and Mittal, (2000), defend satisfaction as being one of quality antecedents. In the present study, quality in service is understood as a satisfaction antecedent.

Several studies conducted with bank customers confirm that the technical and relational magnitude of quality is essential antecedents of customer satisfaction. From extensive literature review, Krishnan, Ramaswamy, Meyer and Damien, (1999) identified four main factors that influence bank customers' satisfaction: (1) the superiority of the types of products and services, (2) the superiority of financial reports and account statements, (3) service superiority offered in automated telephone systems, and (4) service superiority offered through direct contact in the agencies. It is worth mentioning to affirm that the first three factors are associated with quality technical aspects, whereas the latter is associated with the last relational aspect.

A research conducted by Hallowell (1996), sought to probe the relationship between customer satisfaction, loyalty, information communications technology and profitability in a retail bank.

## **2.2 FACTORS THAT INFLUENCE CUSTOMER SATISFACTION**

ICT in the banks is currently catching up with a high level of development around the world. Saffu and Walker (2008) advocated that the ever changing and increasingly customer-driven strategies in a bid to copy up with the rapid and changing needs of their customers.

Kotler and Armstrong (2002) highlighted that over the past twenty years, the banking industry has invested a lot of resources in a bid to try and bring ICT to customers. The technological changes have brought a new dimension in the banking industry.

According to Chakrabarty (2007), core banking solution have enabled banks to enables banks to broaden the full benefits of various delivery channels allowing banks to offer customers services anytime anywhere. Gavin (1987) highlighted that quality of service is one of the major determinants of customer satisfaction, which can be enhanced through the use of ICT.

Khan (2007) found that the banks in India have gone further improving their own internal processes using Information Technology to increase facilities and services to their customers. Miller (1996) argued that the realization of ICT in the banking business has continued to improve the banking service. Other researchers such as Moorthy (1995); Piccoli (2005) and Smith and Bolton (1998) have proved that the use of technology positively impacts on customers' satisfaction in banking industry. However some researchers such as Haywood (1989) and Shoemaker (2001) tend to disagree by pointing out that technology based banking service can be in a position to satisfy the individual needs of every customer. Hogan, Lemon and Rust, (2002) highlighted that possible gaps between customers' expectations and actual service perception in ICT based banking service, leads to customer dissatisfaction.

From the literature review above it can be noted that various empirical researches show that there is significant and positive relationship in service quality and customer

satisfaction. Increase in service quality of the banks can satisfy and develop loyalty which ultimately leading to the retaining of valued customers (Kumbhar, 2010). Parasuraman, Zeithaml and Berry 1(985) pointed out that there is very strong relationship between quality of service and customer satisfaction. Customers will be dissatisfied when perceived service quality is less than expected service quality (Jain and Gupta, 2004 and Kumbhar 2011). According to (Zeithaml, Berry and Parasuraman, 1996) a number of researches on relationships between perceived service quality, expectation, and customer satisfaction have been investigated.

## **2.3 IMPACT OF E-BANKING ON CUSTOMER SATISFACTION**

Al-Abed (2003) described e-banking as a unifying term for the process by which a customer may perform banking transactions electronically anywhere anytime.

On-line, real-time banking services have now become a “birth right” of the customer as the customer demands the flexibility of transacting anywhere any time irrespective of which branch the account was domiciled (BankAway, 2001). Carse, (1999) echoed the same sentiments by concurring that customers want to transact on their accounts at any time and location convenient for their life-style. Many researchers argued that the success of electronic banking depends probably on the customer preferences, satisfaction and bank service quality.

## **2.4 ADOPTION OF ICT BANKING TO IMPROVE CUSTOMER SATISFACTION**

### **2.5.1 ICT banking and customer adoption**

Al-Somali, (2008) noted that low understanding of ICT banking affects customers negatively contributing to customers not adopting ICT banking. Katri (2003) concurs that most important factors discouraging the use of ICT banking are lack of internet access and security concerns. Gan et al. (2006) indicate that once consumers get to know of

the availability of electronic banking, they will adopt it though not everyone might come on board.

### **2.5.2 Influences of customer adoption on ICT banking**

Lichtenstein and Williamson (2006) noted that several theories and converging reference domains suggest various prospective influences on consumer adoption of internet banking. Davis (2003) pointed out that customer intention to use ICT banking can be affected by the attitudes toward use of ICT banking by the customers. Lichtenstein and Williamson, (2006) pointed out that customers need to have positive attitude if they are to adopt ICT banking. Eriksson, (2005) found that customers' attitude plays a pivotal role on the customers' behavior in accepting or rejecting technology. Davis, (1989) concurred that customers' attitudes plays a pivotal role in determining customer behaviors in accepting or rejecting technology.

### **2.5.3 ICT banking services and customer satisfaction**

According to Saha and Zhao (2005), customer satisfaction is defined as a combination of perceived outcome, appraisal and emotional reactions to the use and the experience with a product or service. Boateng and Molla (2006) cited that customers are affected mainly by various operational limitations related to customer proximity, the need to maintain customer satisfaction and the robustness of the Banks' main systems are critical factors in motivating customers to use e-banking services and ultimately influencing the usage thereby enhancing the level of satisfaction. Raman (2008) reiterated that service being an intangible product, is viewed by customers differently and a certain level of service should be targeted in order to satisfy the customer needs.

## **2.6 IMPACT OF INFORMATION TECHNOLOGY ON E-BANKING**

Information and Communication Technologies (ICT) has revolutionized and transformed the business operation trends, and it has become a strategic marketing tool to enhance the competitive edge. Banking traditional operations has totally emerged with the use of ICT and replace with Electronic Banking concepts. E-Banking brings too many



challenges to the managers in achieving their customer satisfaction and leading to over all objectives. Information technology has brought about revolutionary changes in the world and the business environment mostly the banking sectors which have become technology dependent.

Recent advanced changes in communication technology, including the development of more powerful computers, are paving the way for new banking products and services, changing the way that traditional banking is done. Technology has added a new dimension to the competitive pressure that is already reshaping the financial services industry (Boon and Yu 2000).

Internet banking has increased customer satisfaction as Moutinho and Phillips (2002) found in their research that Scottish bank managers considered efficiency and enhancement of customer service to be two perceived advantages of internet banking. Faster easier, and more reliable service for customers, and improvement of the banks competitive position to be the most important drivers of online banking among bank and IT managers in Kuwait (Aladwani 2001).

Information technology has reduced the total overhead charges of banking industry, as stated by Daniel (1999) that the banking sector subjected to tremendous changes because of the new technology leading to cost savings due to the reduction of paper based labour intensive methods with various automated processes.

Nowadays, a bank customer can use internet such as web sites of the banks like a virtual branch, allowing one to perform all most of the activities that a customer perform into the bank premises, a customer transfer his funds to others, issue demand drafts, pay their credit card and utility bills, purchase mobile prepay cards and even shop directly from his account using bank websites through internet and mobile banking.

Ndubisi (2003) highlighted that technology has changed the services of banking industry tremendously in a bid to enhance customer satisfaction, new ICT based products and services have been developed and are being offered through the internet. Today, the banking sector is compelled to adopt the new innovations of the market to compete the new challenges emerging from ICT based products in the banking industry.

Most of the previous studies found positive significant linkage with the technology adoption (Eriksson, Kerem & Nilsson, 2005).

## **2.7 ANALYSIS OF CUSTOMER SATISFACTION ON ADOPTION OF INTERNET BANKING**

Saffu et al, (2008) cited that the use of ICT has increased over the last decade and it has affected the banking industry enabling banks to differentiate their products and services.

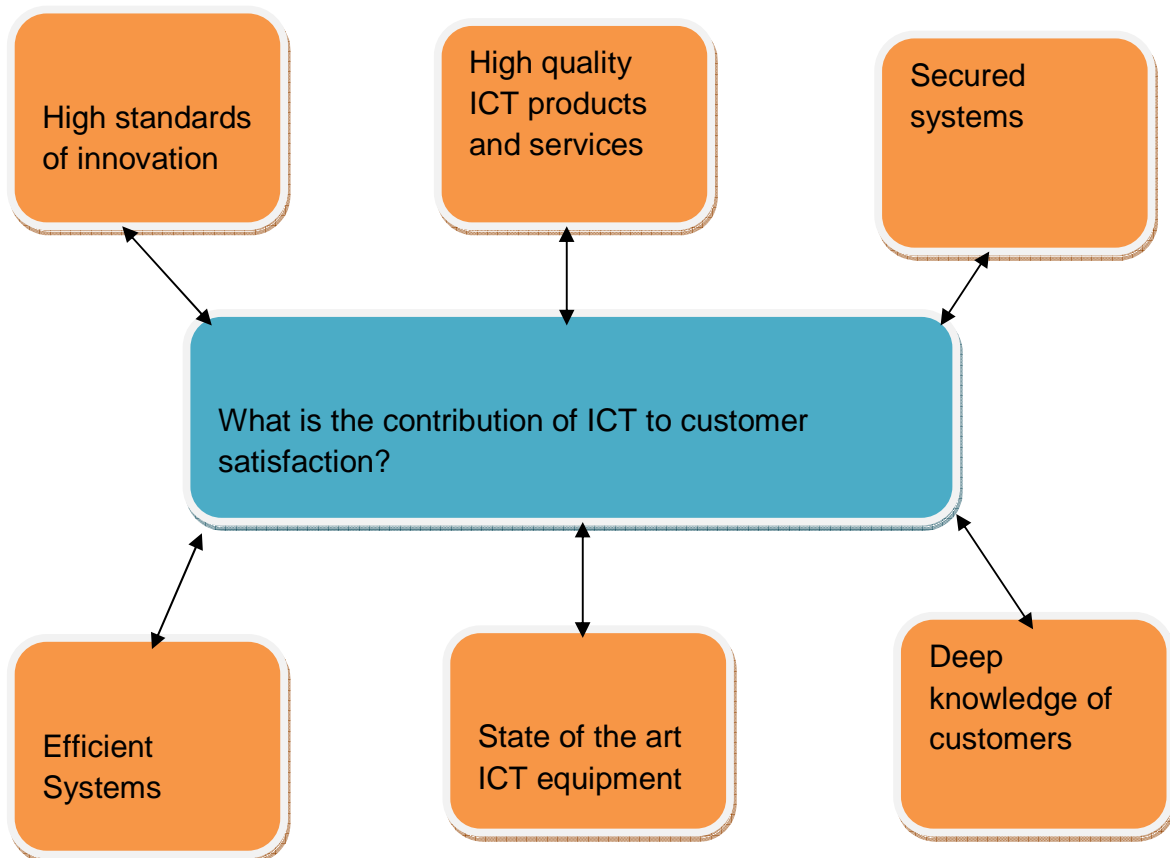
Information technology has transformed the way the banks do business. Manual banking functions have been automated with the development of personal computers, business software and Internet-based intranets. While many of banks have developed internal technology to increase the effectiveness of their business functions, they have also introduced many banking products with extensive use of information technology to enhance operational efficiency and to achieve strategic goals. Developing different uses for information technology and various computer-based products are helping the banks in gaining a competitive advantage.

Berger, (2003) pointed out that the usage of information technology has seen incredible growth in service industries in the recent past with the banking industry having been affected through the introduction of IT related products in internet banking and electronic payments and other ICT related products.. As far as the relationship of information technology and bank's performance is concerned we find positive relationship through literature; firstly with the infusion of information technology a bank can reduce its operational costs i.e. low value-added business transactions can be handled through internet (e.g. bank statements, balance inquiries, funds transfer) while focusing on the high value-added business transactions(e.g. investment banking, deposit mobilization, rational lending)(Ho & Mallick, 2010, Farrell and Saloner, 1985; Katz and Shapiro, 1985; Economides and Salop, 1992). There is also a positive relationship between the infusion of information technology and bank's profitability (Kozak, 2005).

## 2.7 CONCEPTUAL FRAMEWORK

Miles and Huberman (1994) defined conceptual framework as a diagram or written material that explains either in narrative form or graphically the main things to be studied that is the key factors, concepts or variables and the presumed relationships among them.

After the researcher has reviewed the literature he came up with a conceptual framework that may provide possible answers to the research questions raised in chapter one. Figure below illustrates the conceptual framework.



**Figure 2.3: Conceptual framework**

**Source: Compiled by the researcher**

## **2.8 CHAPTER SUMMARY**

This chapter reviewed literature on the appropriate ICT to further customer satisfaction and how the banking sector can use ICT to improve customer satisfaction. The section looked at the theoretical foundation of customer satisfaction, customer satisfaction in the banking industry, factors that influence customer satisfaction, the impact of e-banking on customer satisfaction and a number of other ICT issues affecting customer satisfaction. The literature review also outlined the link between ICT and customer satisfaction. This chapter introduced the contribution of ICT as an important factor in the service delivery and how ICT has been used in other countries to foster customer satisfaction. Chapter three looks at the research methodology that was used for this research to collect data.

# **CHAPTER THREE**

## **RESEARCH METHODOLOGY**

### **3.0 INTRODUCTION**

This section discusses the various techniques and methodologies used to collect the data. The section also outlines research design which includes population and sampling techniques and the data collection methods. This chapter is mainly going to focus on the primary research methods since secondary research has already been discussed in the preceding chapter. This is in any case not going to do away with the occasional reference to the existing literature.

### **3.1 RECAP OF THE STATEMENT OF THE PROBLEM**

MBCA bank has invested a lot in systems and technologies in a bid to enhance service delivery. Despite having invested so much in ICT there was still apparent lack of understanding of the issues that determine the influence of ICT on the bank to allow smooth coordination of technology and service delivery to the ultimate customers. This study therefore sought to evaluate the contribution of ICT to customer satisfaction in the banking sector in Zimbabwe using a case study of MBCA for the period (June 2010 to June 2013).

### **3.2 RECAP OF THE STUDY OBJECTIVES**

This study aimed at achieving the following objectives:

1. To examine the link between ICT and customer satisfaction.
2. To determine whether MBCA has appropriate ICT in place to foster customer satisfaction
3. To establish how MBCA bank can use ICT to improve customer satisfaction

4. To provide recommendations in light of the study findings.

### **3.3 METHODOLOGICAL FRAMEWORK**

Creswell (1999) states that research methodology is the analysis of principles, rules, and postulates employed by a discipline.

Nachmias and Nachmias, (2003) concur when they say that research methodology is a system of explicit rules and procedures upon which research is based and against which claims for knowledge are evaluated. The system is neither unchangeable nor infallible. The rules are constantly improved, that is, looking for new means of observation, analysis, logical inference and generalization.

The main question for this study was to establish the contribution of ICT on customer satisfaction.

### **3.4 THE RESEARCH DESIGN**

#### **3.4.1 The research approach**

In this study quantitative research approach is going to be used. Corbetta, (2003) cited that the relationship between quantitative and qualitative theory research is totally different. Saunders, Lewis, and Thornhill (1997), highlighted that positivist researcher uses a mathematical and statistical method to evaluate the results while the phenomenologist uses descriptive and non-mathematical procedures when interpreting and explaining the research. Dubois, Joliber, and Muhlhaner (2007), state that the qualitative and quantitative analyses are sometimes seen as in opposition to each other.

The quantitative design approach was adopted for this study.

The advantages of Quantitative Research methods are as follows:

- a) Has room for greater objectivity and accuracy of results.
- b) Involves few variables and employs prescribed procedures to ensure validity and reliability.
- c) Can be replicated, analysed and compared with similar studies carried out in the past.

- d) Allows summaries of large sources of information.
- e) Facilitates comparisons across categories and over time
- f) The results of the study are projectable to the population.

The disadvantages of Quantitative Research method are:

- a) Often carried out in unnatural, artificial environments and this requires certain levels of control to the natural state.
- b) Pre-test answers and prejudice people's feelings about a subject.
- c) Allow for a broader study, involving a greater number of subjects, thereby enhancing the generalisation of the results.
- d) Statistics can be humanely insignificant, therefore yielding insignificant results.
- e) Inappropriate for the collection of behavioural data.
- f) Deals with issues known at the beginning of the research project as this is when the questions are decided and documented.
- g) Because quantitative studies involve large numbers of questionnaires (large sample is needed to reduce the standard error), they tend to be more expensive and take longer to implement than qualitative research (Birn, 2002).

The researcher used a quantitative approach due to the reasons outlined above.

In qualitative research, which springs from the interpretive paradigm, there is an open interactive relationship between theory and research. The researcher often deliberately avoids formulating theories before fieldwork begins, on the grounds that this might hinder their capacity to comprehend the point of view of the subject studied. Observation precedes theory, commonly called the inductive approach. Theoretical elaboration and empirical research are therefore intertwined (Corbetta, 2003).

### **3.4.2 Research strategy**

This is a general framework adopted to provide guidance about all facets of the study, from assessing the general philosophical ideas behind the inquiry to the detailed data

collection and analysis procedures (Creswell, 2003). The survey research design is where the researcher approaches a sample of individuals presumed to have undergone certain experiences and interviews them concerning those experiences. The obtained responses constitute the data upon which the research hypotheses or propositions are examined. A questionnaire survey was used to establish the facts of the subject within MBCA and its customers.

### **3.4.3 Research instrument**

The survey method was used through a structured questionnaire instrument in this study. This questionnaire was both physically and electronically distributed to respondents. Surveys allow for a sizable and standardised amount of data to be collected economically. Questionnaires were mailed to a sample and the method for the picking up the sample is explained in the next subheading 3.5.6. Mailed questionnaires were chosen due to their advantage of addressing many topics at once and covering a wider area. The questionnaire also allowed the respondents' time to think before answering the questions.

### **3.4.4 Pilot study**

Kothari (2005) pointed out that there is need for testing the questionnaire before applying this method so as to reveal its weakness before it has been adopted, usually a pilot study for testing the questionnaire is conducted. For this research, a pilot survey was conducted on five people who were part of the survey population, thereafter the questionnaires were sent to the dissertation supervisor for his analysis. Questionnaires must be prepared very carefully so that they may prove to be effective in collecting the relevant information.



### **3.4.5 Population and Sample**

Cooper and Schindler (2008) defined population as the total collection of elements about which the researcher wishes to make some inferences. The elements may be persons, but they could alternatively be households, or any other unit. The population definition needs to be precisely and carefully specified according to the survey objectives, because the results will depend on the definition adopted.

In this study the target population for this study was made up of staff and management of MBCA bank as well as its customers.

### **3.4.6 Sampling Techniques**

In this study 3 sampling techniques were used.

#### **3.4.6.1 Probability Sampling Technique**

Saunders et al, (1997) report that random (probability) sampling ensures that there is an chance of each case being selected from the population. Probability sampling makes it possible to specify the probability that a sampling unit will be selected from the population. This section outlines some of the probability sampling methods.

**Stratified sampling**-Stratified sampling entails dividing the given population into a number of groups where members share a particular characteristic(s) De Vaus (1990). Random sampling is then done within the strata. On this method it is possible to combine stratification with systematic sampling procedures. However, the criticisms apply to systematic sampling and there seems little or no reason to prefer them to stratified random samples.

**Simple random sampling**-This entails random selection from a list of the population (known as sampling frame) of the required number of units from the sample. A computer, lottery method, random tables can be used to randomly select the units. If properly done, it has been known to give each unit an equal chance of being selected. (Marsh, 1992).

On the staff the researcher used stratified sampling by grouping the staff members into respective managerial positions then went on to use simple random sampling on selection from the various groups.

**Judgmental sampling**-This entails selection basing on the researcher's judgement in light of his or her interests (Moser and Kalton, 2001).The underlying principle of this approach differs from statistical generalisation from sample to population and is commonly used within case studies.

Judgmental sampling was used on the clients. Not all clients were conversant with technology as some were only messengers. Clients' questionnaires were distributed by front line staff in the banking halls through the KYC (Know Your Customer) concept. Front line staff has established a good rapport with the clients, the researcher took advantage of that opportunity and got the questionnaires distributed through the front line staff and the enquiries desk. The staff did not distribute to any client who walked in the banking hall but they had to establish whether the client understands and appreciate the questionnaire through the KYC concept.

#### **3.4.5. Questionnaire administration**

To collect data from only a part of the population is clearly less costly and, providing the estimates are sufficiently precise, sampling is thus more economic (Karlton, 2003). A sample inquiry can also be conducted and processed more speedily, leading to timelier reporting. Furthermore, by concentrating resources on only a part of the population, the quality of the data collection may be superior to that of a complete enumeration. As a result, a sample survey may in fact produce more accurate results. For these reasons, unless the population is small, sampling is almost always used. According to Bryman and Cramer (1990), by and large researchers will want to form a representative sample.

To administer the questionnaire the researcher used a stratified sampling technique with simple random sampling technique which are all probability sampling techniques. In this method each element in the entire population is ensured of an equal chance of

being included in the sample. Polit and Beck (2005) say, in stratified random sampling, the population is divided into homogenous subsets from which elements are selected at random. The aim of this sampling method is to enhance the sample's representativeness.

To administer the questionnaire for customers the researcher had to use judgmental sampling technique. The researcher had to use his discretion to select the respondents of the study. This simply means subjective selection of population units by the researcher based on their knowledge and pre-disposition.

### **3.5 DATA ANALYSIS**

Histograms and graphs were be used to present data. Graphs usually aid in comparison. The method to be used for analysing the data is a qualitative approach. Given the nature of the problem and research type, this is the most ideal type of data analysis as the research was conducted using a quantitative approach.

Questionnaires received from different respondents were analysed for completeness, consistence of responses, and proper completion of questionnaires and meaning of information. Statistical package called SPSS was used to analyse the information and to do the statistical percentages, graphs and pie charts.

#### **3.5.1 Validity and Reliability**

Cooper and Schindler, (2008) define validity as whether a measurement tool performs what it has been designed to do. A reliable measure has consistency. When administered to different respondents a reliable instrument should always obtain similar responses. Pre-testing was used to improve validity and reliability of the instruments and hence the data collected.

### **3.5.2 Ethics and values**

To ensure that research ethics were observed the researcher, sought approval from the senior human resources manager and the human resources director at organisational level and the sampled employees were be given consent forms to sign agreeing to participate in the research. The consent forms explained the objectives of the research and provided instructions on how to complete the questionnaires.

### **3.6 LIMITATIONS OF THE STUDY**

1. Most respondents turned out to be busy because of the nature of their work. This was solved by sending out the questionnaires well in time thereby allowing the respondents enough time to look at the questionnaires.
2. The study required a lot of time for the study and yet the researcher had other commitments at work and home during the same period. However, this was handled by making and strictly following a time table.
3. Accessing the geographically dispersed branches was a not feasible, however this was solved by emailing the questionnaires to various branches and making a follow up through the phone

### **3.7 CHAPTER SUMMARY**

This chapter gave a comprehensive analysis of the research methodology which the researcher used in the study. It also discussed how the data was collected, processed and analysed and presented. The researcher used the quantitative research approach to gather data for the study. The major concepts discussed include sampling techniques, research instruments, validity and ethical considerations. The major focus was on how the methodology was applied in the research to get the useful data. Primary data was collected using questionnaires. The research instrument was pre-tested by the researcher to increase validity and the reliability of the data to be collected.

# CHAPTER FOUR

## RESULTS PRESENTATION, ANALYSIS AND DISCUSSION

### 4.0 INTRODUCTION

This chapter provides an analysis of the research findings followed by discussion which links results to the literature in chapter two of this study. The chapter looks at the questionnaires, response rate, the presentation and the analysis of the results. The results are based on the analysis of the secondary data obtained from the company documents and the primary data.

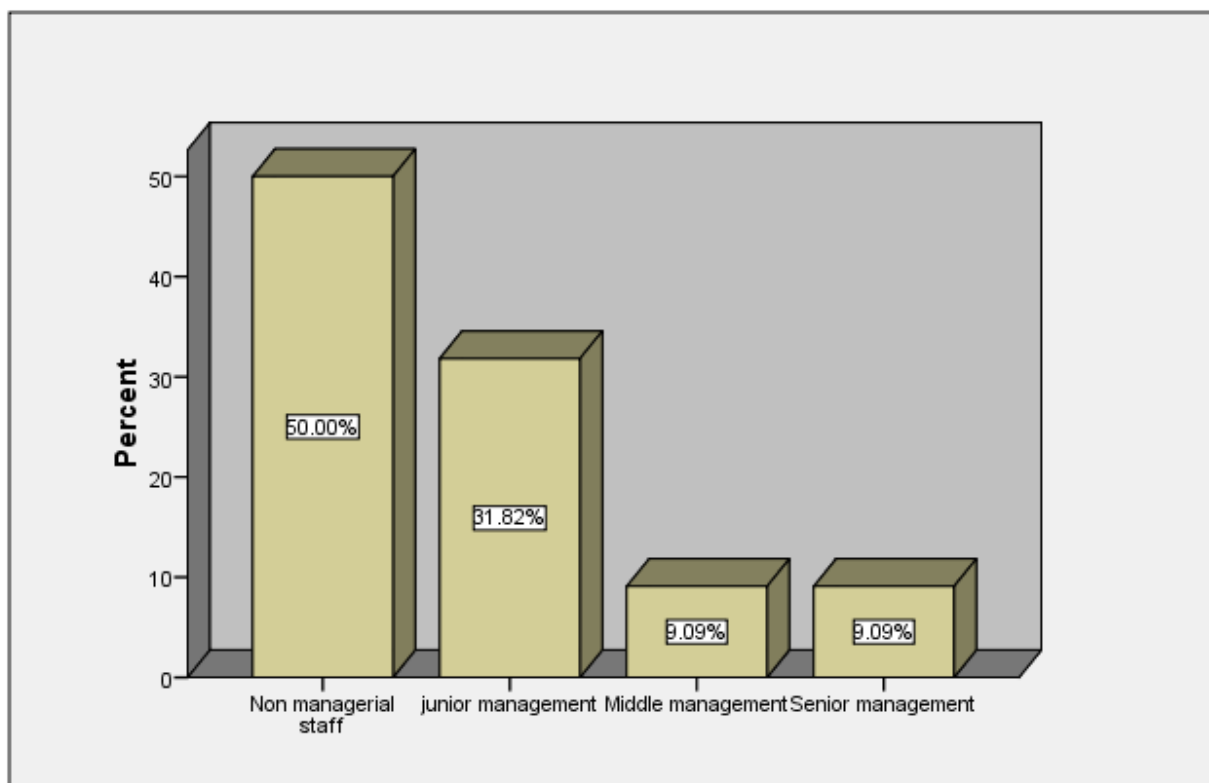
### 4.1 RESPONSE RATE

120 questionnaires were sent to both staff and customers of MBCA bank and out of these 77 were successfully completed and returned for analysis. Saunders *et al* (1997) pointed out that a response rate that is 50 % and above of the total questionnaires administered warrants validity of the research findings. A response rate of 64 % was achieved warranting the validity of the research findings.

### 4.2 DEMOGRAPHICS

This section provides an analysis of the research demographics. These include gender, years of experience as an employee and as a customer of the bank. Contents of this section are argued to have an effect on the reliability and validity of the study findings. Following discussions under this section, appropriate inferences are drawn accordingly in this regard.

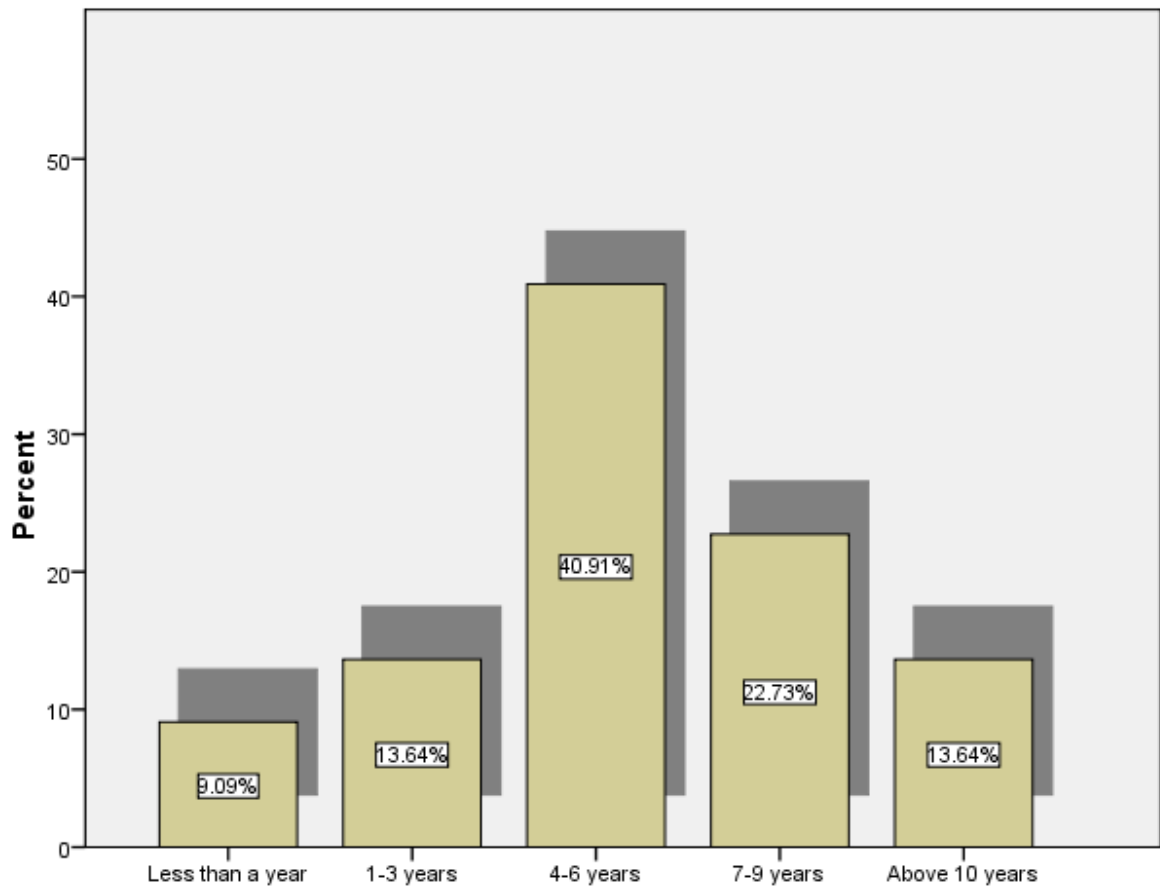
#### 4.2.1 Work Position



**Figure 4.1 Positions of Employees**

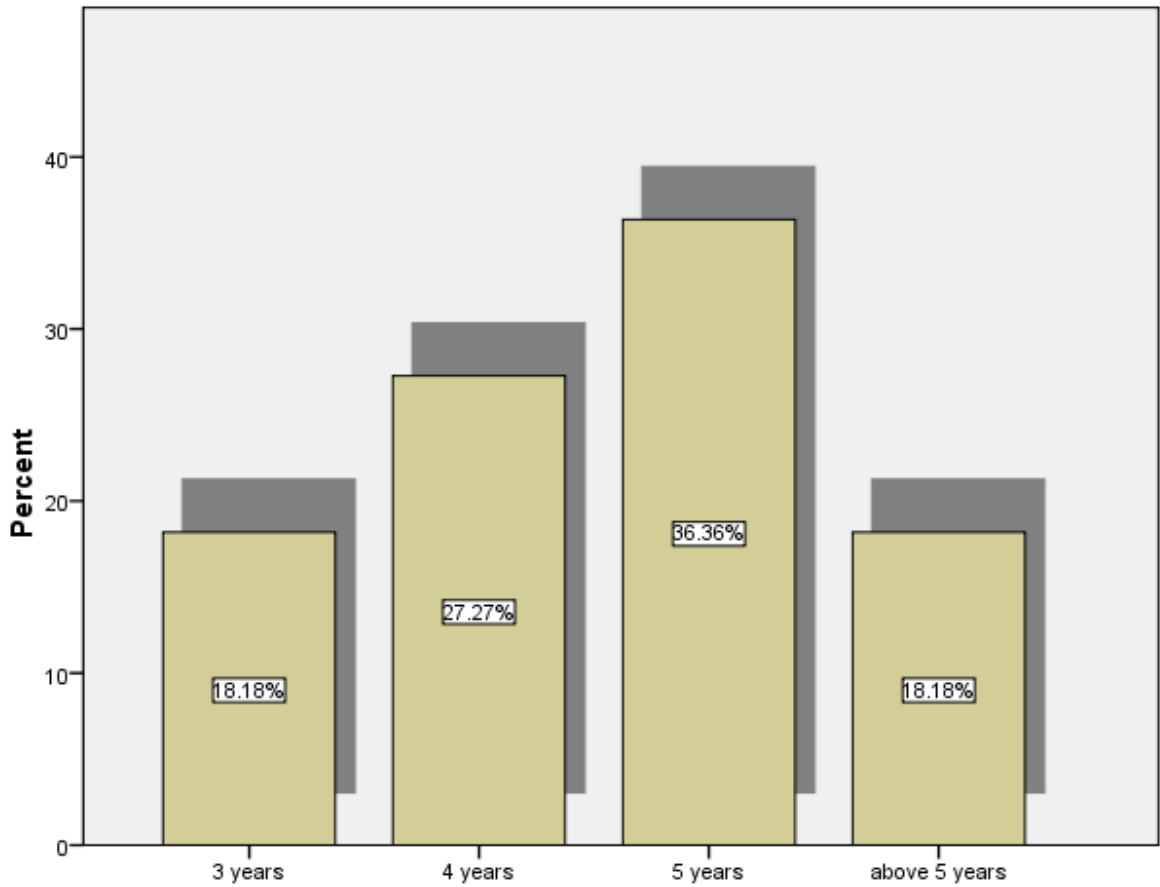
The analysis shows that 50% of the responding staff were non managerial, about 32% were junior management, 9% were middle management and another 9% were senior management.

#### 4.2.2 Period Working for MBCA



**Figure 4.2 Duration of working at MBCA bank**

Figure 4.2 above shows that about 41% of the responding staff had spent between 4 to 6 years working at MBCA bank, about 23% had spent between 7 and 9, about 14% had spent between 1 and 3 years, 3% had spent less than a year and about 14% had spent above 10 years working for MBCA bank. The analysis shows that the majority of the responding staff had spent at least 4 years at the bank and this gave them enough experience to understand the subject being investigated by the researcher and to provide meaningful and valid responses.



**Figure 4.3 Duration of customers of MBCA bank**

Figure 4.3 above shows that 18% have been customers of MBCA bank for 3 years, 27% for 4 years, 36% for 5 years and 18% for a period above 5 years. Customer respondents had a potentially solid basis for finding valid and reliable responses.



Table 4.1 shows the ICT banking services offered by the bank.

**Table 4.1: ICT Services Offered by Bank**

ICT Services	Frequency Response (Staff)	Frequency Response (Customers)
Up to date Equipment	73%	9%
Full branch computerised	77%	45%
ATM	100%	100%
Point of Sale	36%	18%
Internet banking	95%	91%
Mobile banking	5%	0%
Short messages alerts	45%	9%
Credit card	32%	18%
Electronic funds transfer	82%	82%
Customer Relationship Management	50%	64%
Electronic bill pay	18%	18%
Mukuru.com (Rand money transfer)	91%	9%

Table 4.1 above shows that the most prominent ICT services offered by MBCA bank which are ATM, Rand money transfer, electronic funds transfer, internet banking, full branch computerised and up to date equipment. The analysis shows that credit card, electronic bill pay, mobile banking, sms alerts and point of sale are not common at the bank.

Customers pointed out that the electronic services that are available to them are ATMs, and electronic funds transfer. The customers' views were consistent with those of staff on electronic bill pay, credit card, mobile banking, and point of sale. All these ICT facilities were argued to be less prominent by both customers and members of staff.

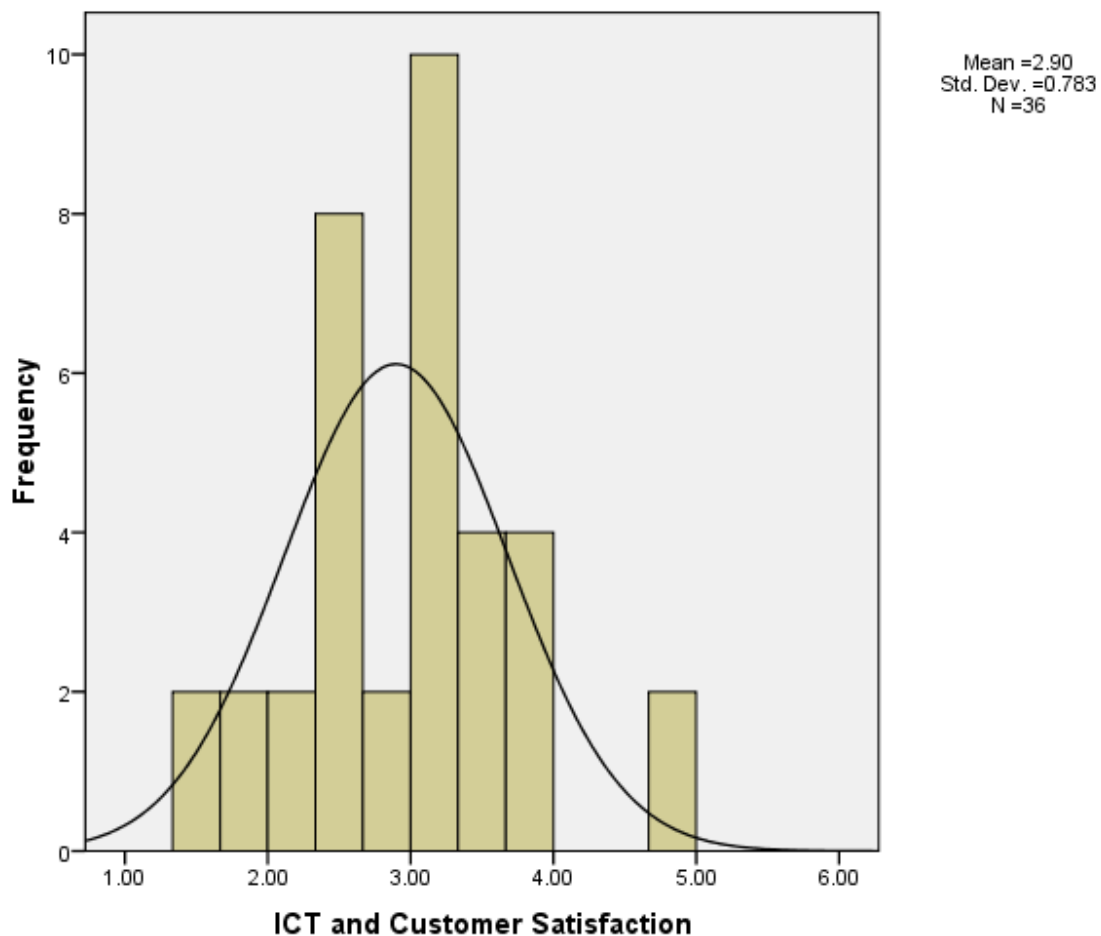
Balachandher, (2001), argued that the success of e-banking depends squarely on customers' satisfaction with the e-products and e-services. E-banks need therefore, to make a lot of effort in creating awareness among existing and prospective customers about the benefits of these products and services.

Since some of the ICT services are not utilised, customers at MBCA bank still have to visit the banking halls to access services. This then contradicts the argument of Burr (1996) who described e-banking as an electronic connection between the bank and the customer allowing the customer to perform banking transactions electronically without visiting a brick and- mortar institution. Lustsik (2004) describes electronic banking as a variety a number of following platforms: telephone banking, Internet banking, TV-based banking, mobile phone banking, and personal computer banking.

### 4.3 LINK BETWEEN ICT AND CUSTOMER SATISFACTION

This section provides an analysis on the link between ICT services at MBCA bank and customer satisfaction. According to Sergeant (2000), the benefits of e-banking are manifold and are to be seen from the point view of the banks themselves, customers and even the regulators. The researcher therefore, collected views from both staff and customers.

#### 4.3.1 Relationship between ICT and customer satisfaction



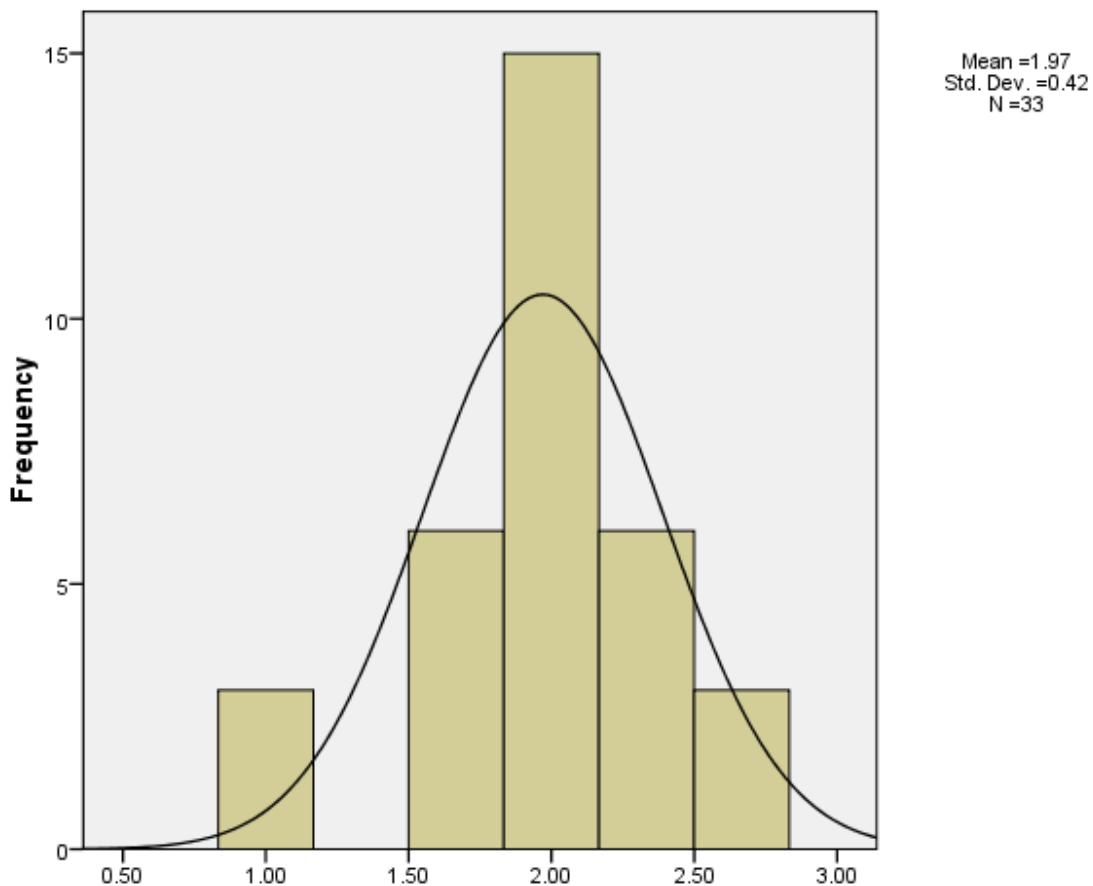
**Figure 4.4: ICT and Customer Satisfaction**

The analysis shows that the mean response was approximately 3 which represent a Not Sure on the scale being used in this research. This means that staff and management of MBCA bank could not confidently conclude that MBCA customers access the desired

information concerning their bank quickly using things like websites and also through e-banking and through customised banking products. This can challenge the innovativeness of the bank to provide convenient service to clients.

Al-Abed (2003) pointed out that e-banking products lower barriers to entry for banks and give opportunities for significant cost reduction and greater opportunities to sell across borders. This is argued to then impact positively on customer satisfaction.

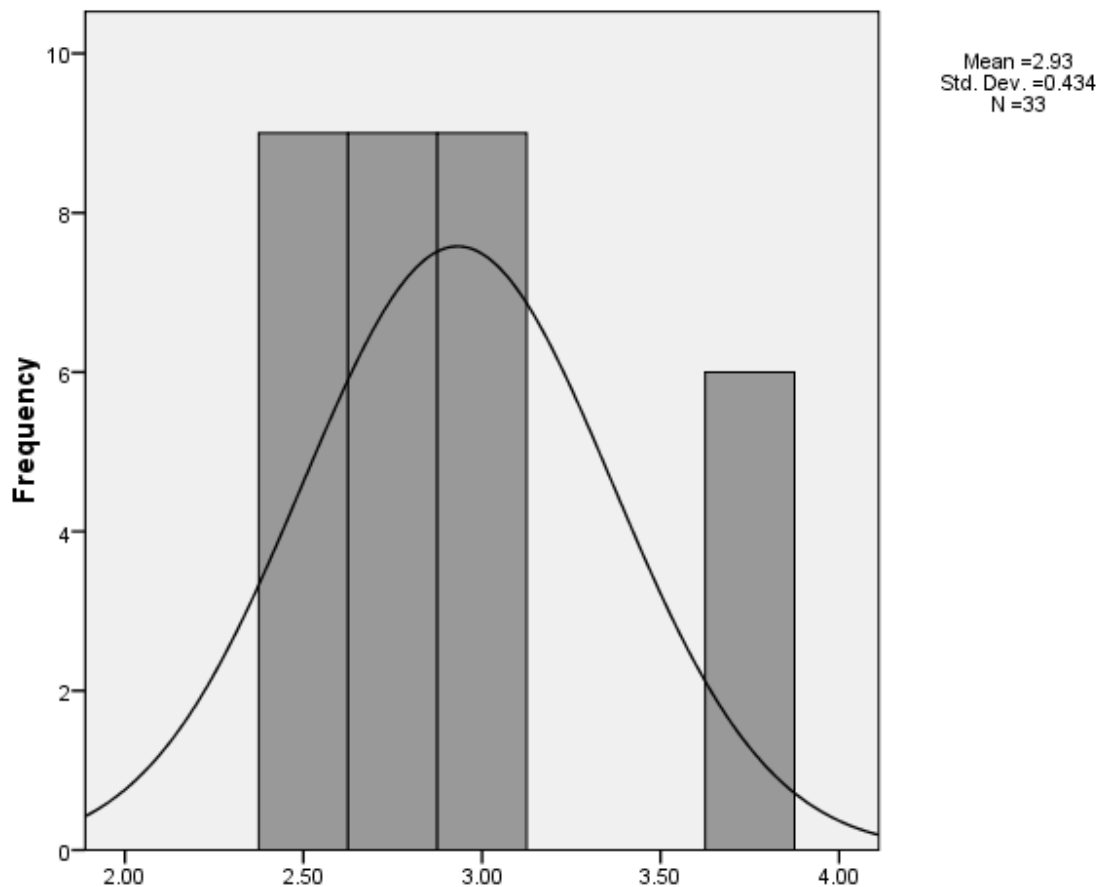
Customers were also asked to comment on their level of satisfaction of ICT based services offered by the bank. The researcher looked at areas such as responsiveness of the services, the physical equipment, security of e-banking and reliability.



**Figure 4.5: Responsiveness**

The analysis shows that the mean response is 1.97 which is disagreeing. This means that customers disagreed that MBCA bank gives them prompt service to their queries through email and other electronic means. This means customers felt that the bank is not fast and efficient. According to Zethaml et al., (2002) responsiveness involves turnaround time of service actions like timely dispatch of a receipt or quickly calling back the customer.

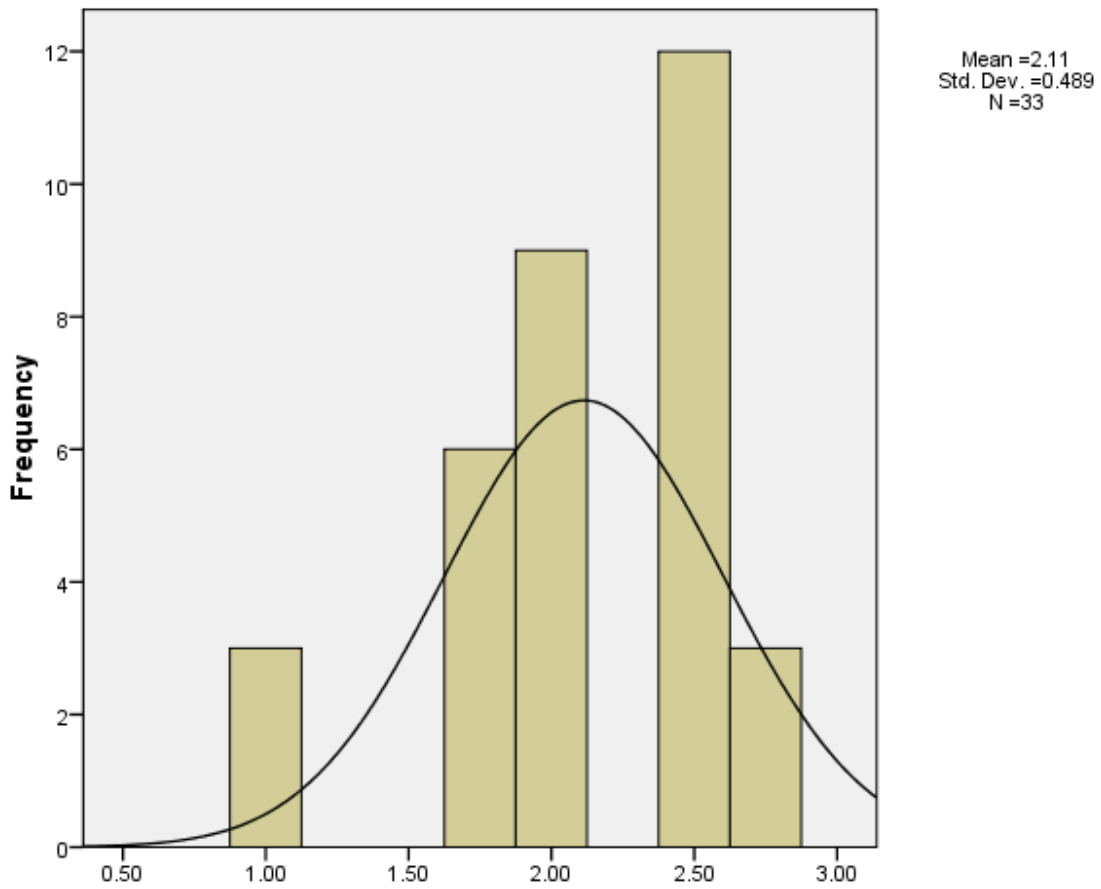
This result contradicts with the views of Sergeant (2000) who pointed out that ICT services in banks result in high responsiveness of the bank. He pointed out that on-line, real-time banking services have now become a necessity as the customer demands the flexibility of operating an account in anywhere anytime.



**Figure 4.6: Equipment**

Figure 4.6 above shows that the mean response on issues to do with equipment was 2.93 which represent “don’t know”. This means that customers were not sure about the level of computerisation, ATM cards and that they were not aware of the state of the equipment.

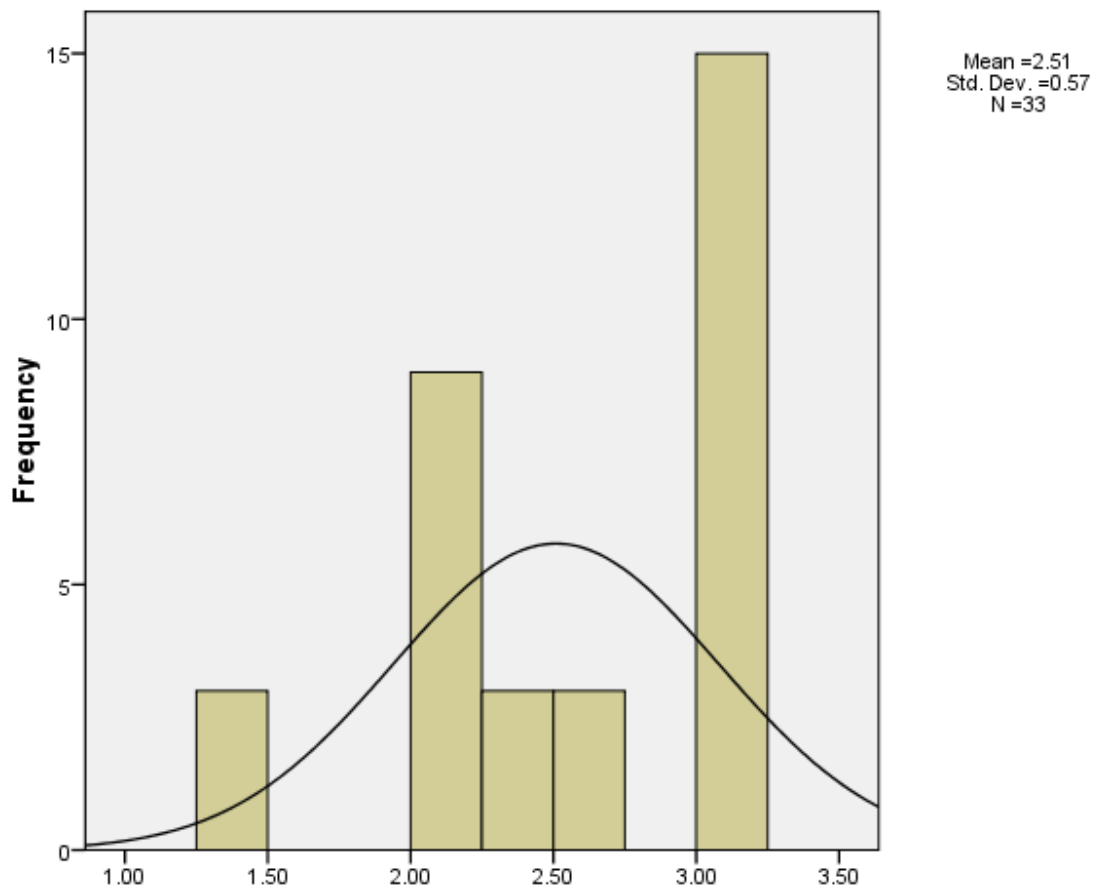
Investments towards the ICT equipment support the implementation of ICT services in the banking industry. The usage of information technology (IT), broadly referring to computers and peripheral equipment, has seen tremendous growth in service industries in the recent past. The most obvious example is perhaps the banking industry, where through the introduction of IT related products in internet banking, electronic payments, security investments, information exchanges (Berger, 2003).



**Figure 4.7: Reliability**

The analysis shows that the mean response on reliability issues by customers was 2.11 which is disagree according to the Likert scale. This means that customers disagreed that MBCA bank services are dependable and reliable and that IT banking services provide accurate account information.

The researcher also investigated the general perception of customers on the internet banking services offered by the bank.



**Figure 4.8: Internet Banking**

Figure 4.8 above shows that customers were undecided on issues to do with the efficiency of internet banking. This implies that customers could not confirm that MBCA bank website design is visual, easy, quick and that it provides security.

Al-Somali et al. (2008) noted that low awareness of ICT banking is a critical factor in causing customers not to adopt ICT banking and Katri (2003) concurs that most important factors discouraging the use of ICT banking are lack of internet access and not having a chance to try out internet banking in a safe environment, thus not being in a position to access certain services. **Moreover, the results can be supported by the fact that e-banking products and services are not very popular because customers still find them to be insecure and not better alternatives to traditional banking services (Balachandher, 2001).**

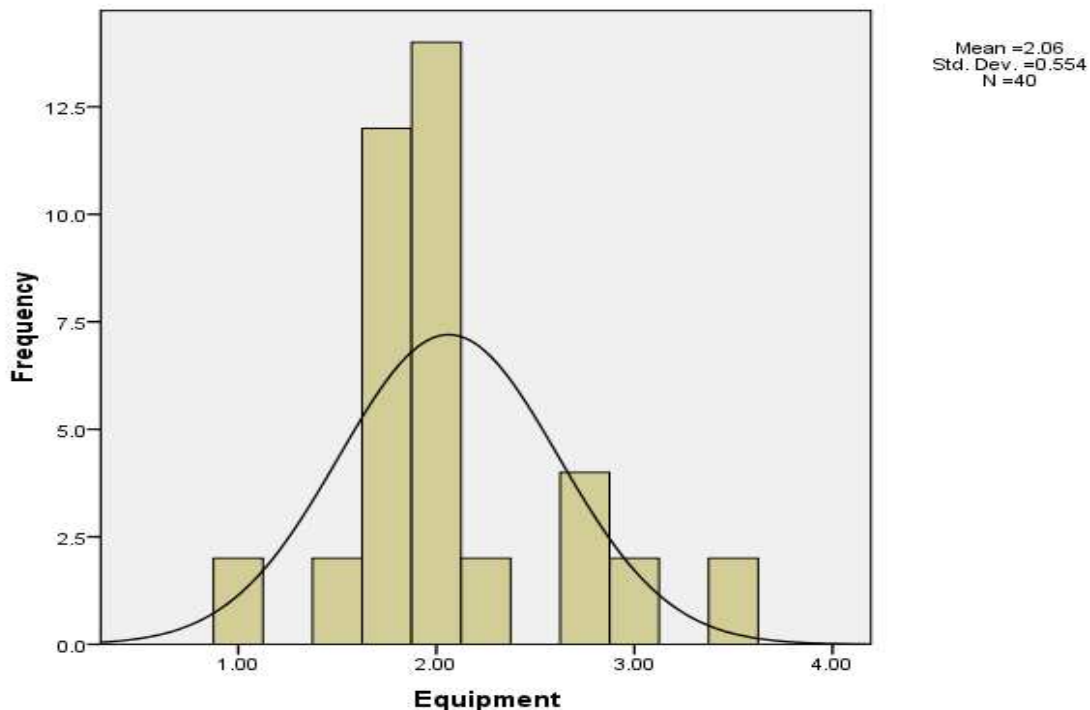


## 4.4 APPROPRIATE ICT TO FOSTER CUSTOMER SATISFACTION

In this section the researcher provides an analysis on the appropriateness of ICT to foster customer satisfaction. The concentrates on appropriateness of the equipment, internet banking, mobile banking, credit cards and e-bill pay.

### 4.4.1 Equipment

MBCA bank has state of the art server room where all the banks' systems are housed most of them in a virtualized environment (MBCA ICT Report 2013).



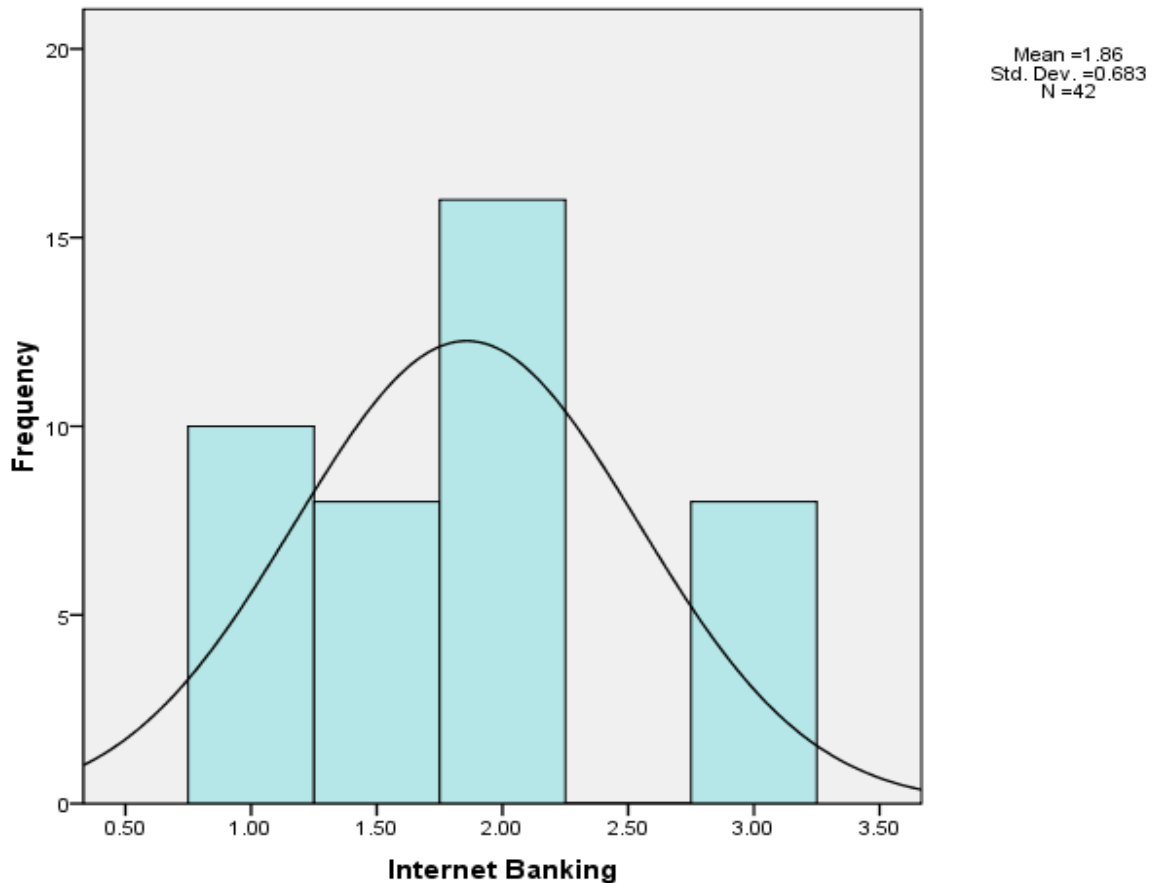
**Figure 4.4.1: Appropriateness of Equipment**

The analysis shows a mean response of 2.06 which implies that respondents generally agreed that the ICT equipment which is at the bank is appropriate in the sense that it is modern and up to date for customers to appreciate the level of service.

Gao and Owolabi (2008) argued that the unavailability of ICT equipment will result in the lack of internet access and not having a chance to try out internet banking in a safe

environment, thus not being in a position to access the bank account information and other services.

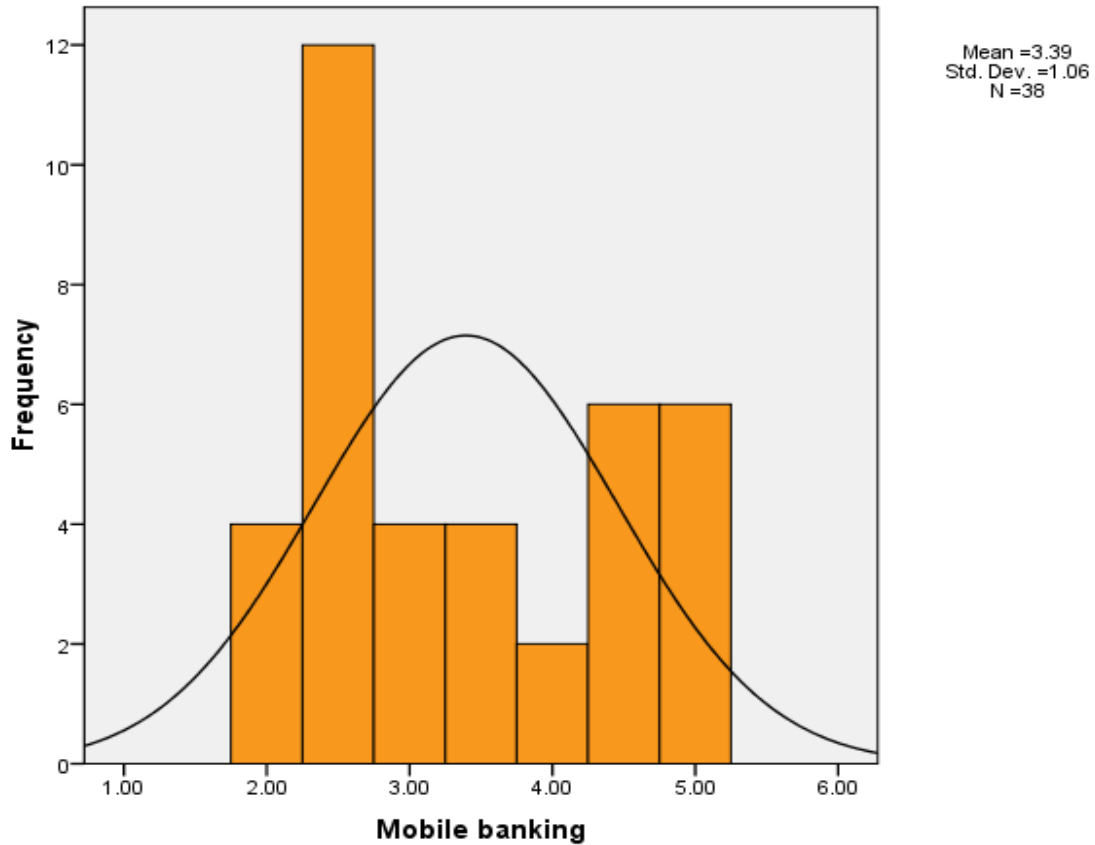
#### 4.4.2 Internet banking



**Figure 4.10: Appropriateness of Internet Banking**

The analysis shows a mean response of 1.86 which can be approximated to 2 which is “agree” on the likert scale. This implies that respondents generally agreed that internet banking systems at MBCA bank are appropriate and that its customers appreciate internet banking.

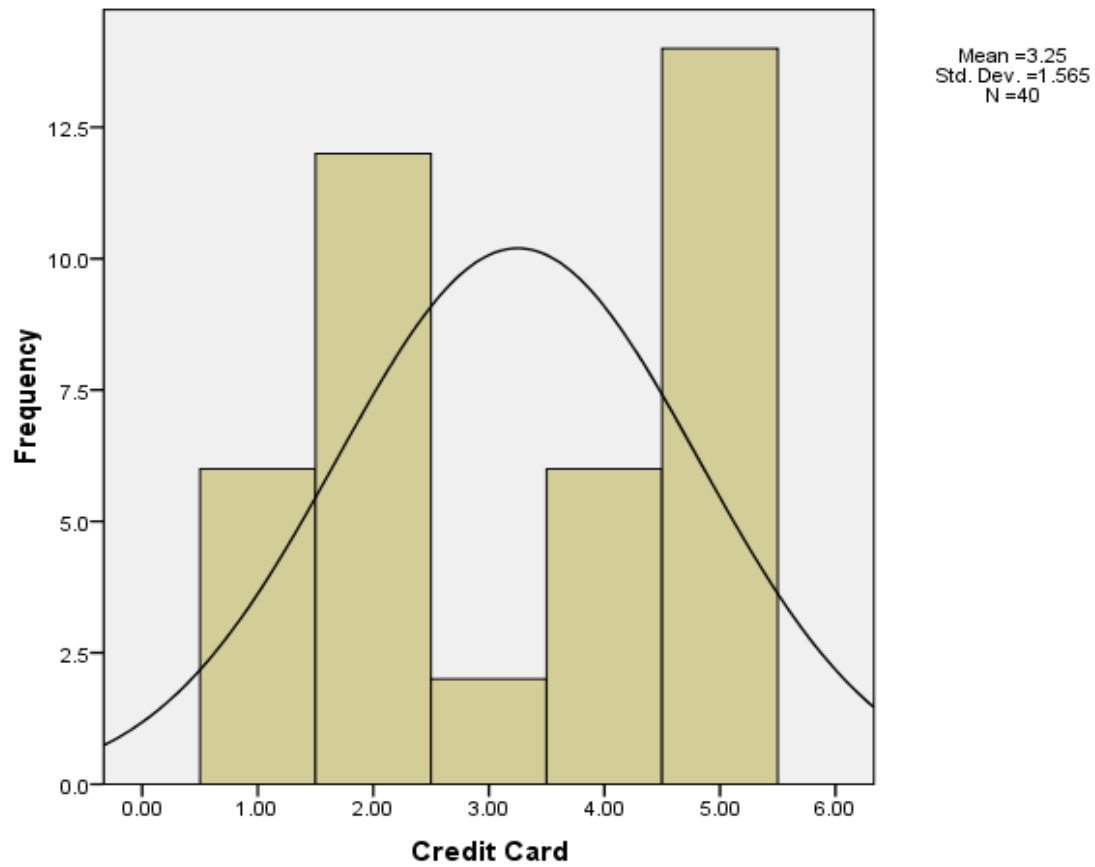
#### 4.4.3 Mobile banking



**Figure 4.11: Appropriateness of Mobile banking**

The analysis shows a response of 3.39 which shows that the responses are skewed towards disagree. This implies that respondents disagreed that MBCA bank has a mobile banking platform. This result is not in line with the views of Ndubisi et al., (2003) who pointed out that nowadays bank customers can use internet such as web sites of the banks like a virtual branch performing all most of the activities that could be performed in the bank premises, a customer transfer his funds to others, issue demand drafts, pay their credit card and utility bills, purchase mobile prepay cards and even shop directly from his account using bank websites.

#### 4.4.4 Credit cards

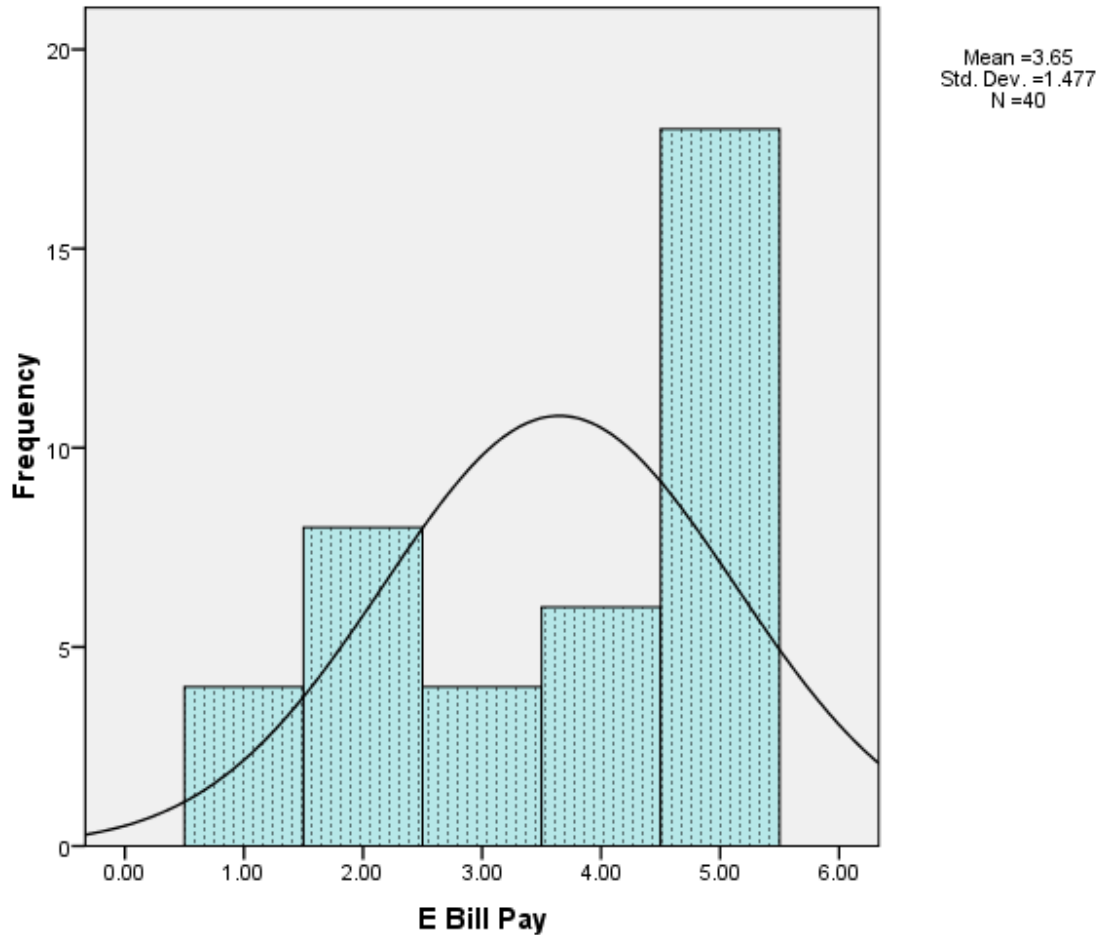


**Figure 4.12: Credit Cards**

Figure 4.12 above shows that mean response is 3.25 showing that the analysis is skewed towards disagree. This implies that MBCA bank does not offer credit to its customers.

On the use of credit cards, the most important dimension is around privacy which comprises the guarantee that the record showing shopping activities and security of credit card/account information is not shared (Yang and Fang 2004; Saha and Zhao, 2005).

#### 4.4.5 E Bill pay

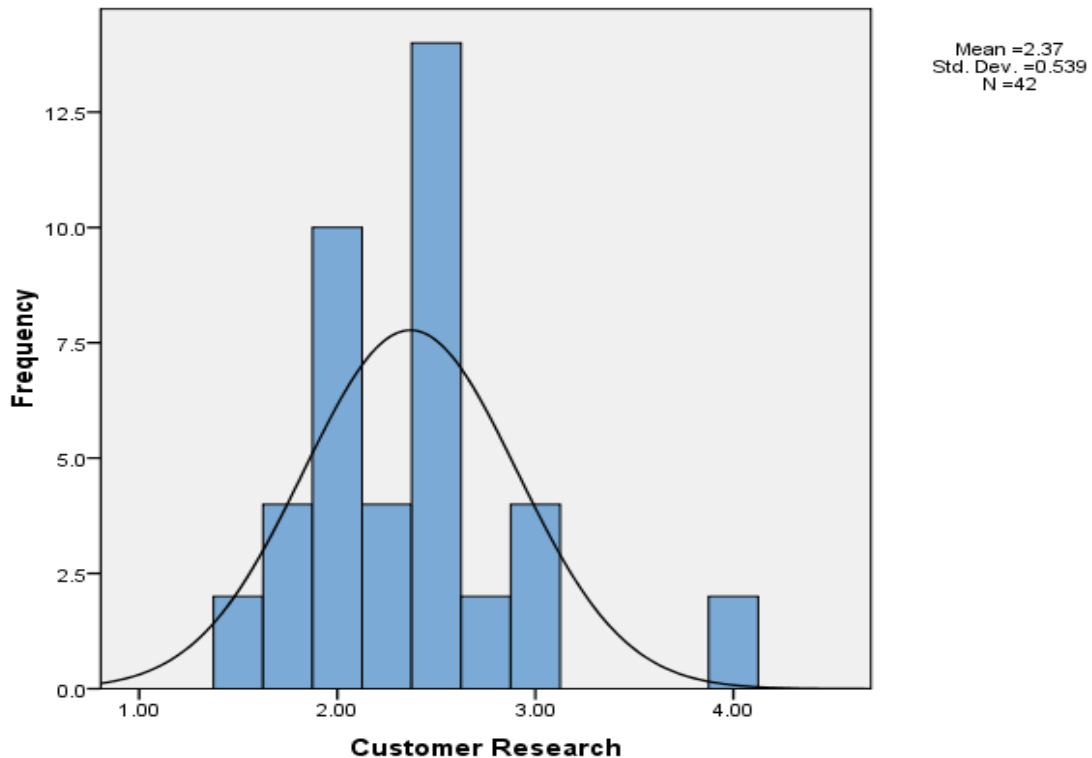


**Figure 4.13: E Bill Pay**

The analysis shows that the mean response is 3.65 which show that the responses are skewed to disagree. This means that respondents generally customers of MBCA bank do not pay their bills through e-bill pay. This was not supported by Carse, (1999) who pointed out that customers want to transact their banking transactions at any time and location convenient for their life-style. They want to pay their regular household bills, buy and sell stocks and shares.

## 4.5 WAYS TO USE ICT TO IMPORVE CUSTOMER SATISFACTION

In this section the researcher provides an analysis on the ways that can be used on ICT to improve customer satisfaction.



### 4.5.1 Customer Research

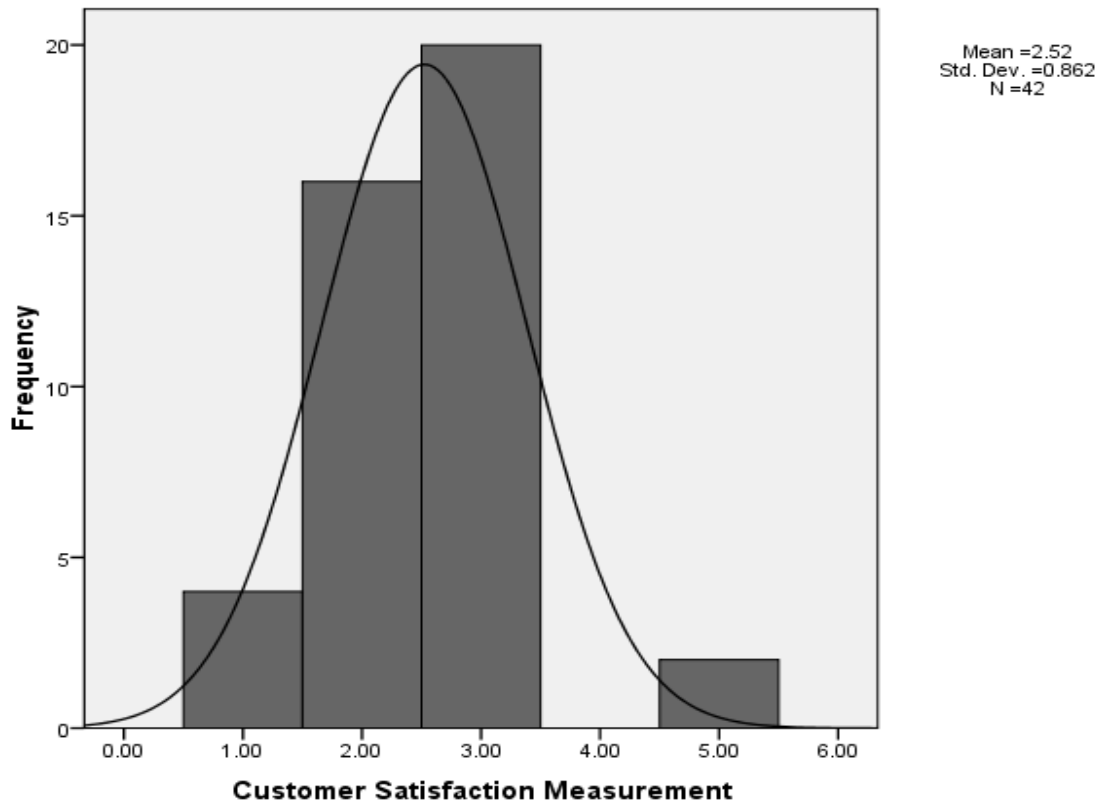
**Figure 4.14: Customer Research**

The analysis shows an average response of 2.37 which implies that respondents recommended MBCA bank to understand its customers through research, building a customer relationship and act on the expectations of customers than of the bank itself.

MBCA bank being a service industry, there is a high degree of integration and interaction in terms of contact contribution; empowerment is a helpful instrument for successful control of individual customer relationships (Mudie and Cottam, 1993).The

customer relationship can be enhanced by Automated teller machine (ATM), Internet banking, and call center play the role of touch points.

#### 4.5.2 Service Quality Measurement

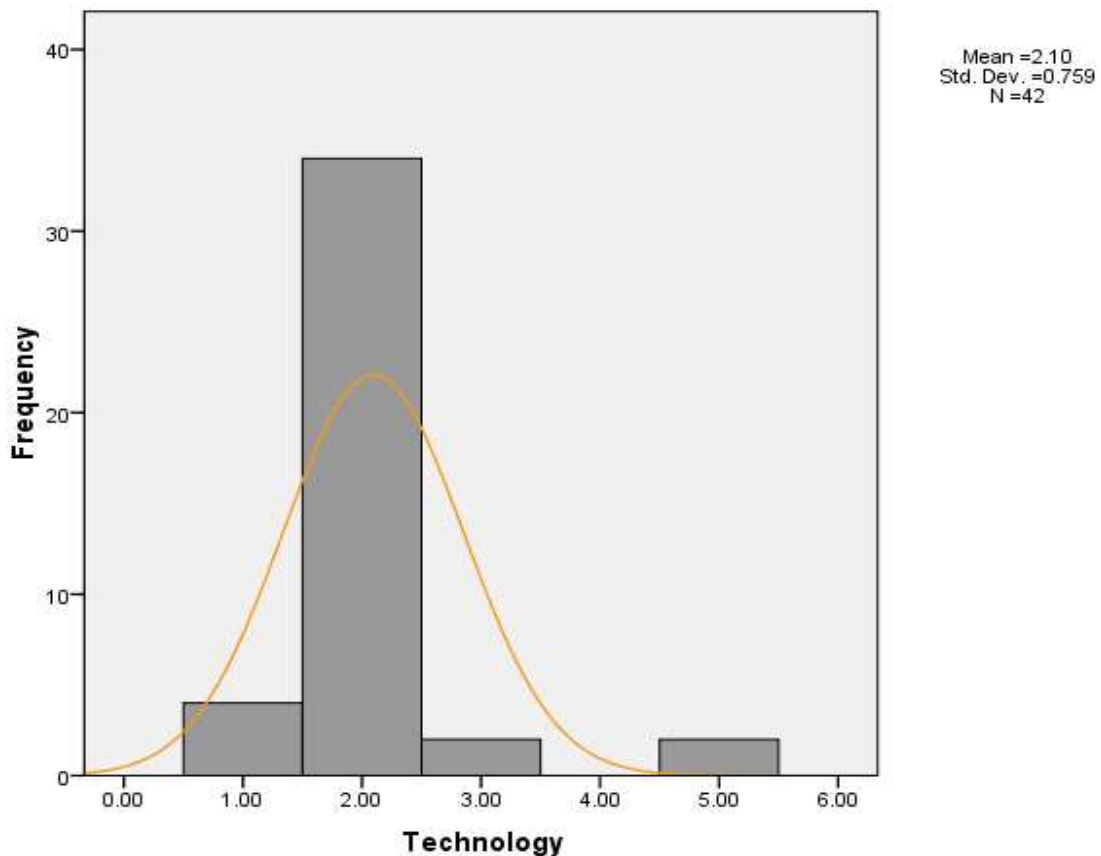


**Figure 4.15: Measure of Customer satisfaction**

The analysis revealed that mean response was 2.5 which can be approximated to 3 which implies that respondents were not sure about the issue of measuring customers' expectations. Sharma et al, (2000) pointed out that successful customer satisfaction implementation is the capability of the business to develop better or more suitable products and services and this can only be known if the bank does a lot of customer satisfaction surveys.

One of the characteristics of successful customer satisfaction implementation is the capability of the business to develop better or more suitable products and services via these “touch points” (Davenport et al, 2001).

### 4.5.3 Technology



**Figure 4.16: Technology**

Figure 4.16 above shows a mean response of 2.10 which implies that respondents agreed that MBAC bank must integrate technology effectively and appropriately to aid service performance.



Technology in the banks is fast developing in a bid to cope up with the high level of development around the world. Deploying Information technology (IT) support functions fosters one-to-one relationships with each individual customer at any time (Shoemaker, 2001).

#### 4.6 HYPOTHESES TESTING

The main research hypotheses are shown below.

H0: Well developed ICT contributes positively to customer satisfaction.

H1: Under developed ICT contributes negatively to customer satisfaction.

The hypotheses above were broken into three sub hypotheses, tested and shown as below:

H0: Promptness of service is directly correlated to ICT development.

Table 4.2 **Promptness of Service**

		<b>Correlations</b>	
		ICT development	Promptness of Service
ICT	Pearson Correlation	1	.257
	Sig. (2-tailed)		.156
	N	32	32
Promptness of Service	Pearson Correlation	.257	1
	Sig. (2-tailed)	.156	
	N	32	33

The table above shows a positive correlation of 0.257 between ICT development and promptness of service from the bank. This however shows a weak positive correlation. Therefore the hypothesis that ICT development impacts to the promptness of a service is adopted.

H0: ICT development positively impacts on the reliability and dependability of a service.

Table 4.3 **Reliability and Dependability**

		ICT Development	Reliability and Dependability
ICT Development	Pearson Correlation	1	.192
	Sig. (2-tailed)		.293
	N	32	32
Reliability and Dependability	Pearson Correlation	.192	1
	Sig. (2-tailed)	.293	
	N	32	33

The table above shows that there is a positive correlation of 0.192 between ICT development and reliability and dependability of a service.

H0: ICT development positively impacts on the security and efficiency of internet banking

Table 4.4 **Secured and Efficient internet banking**

		ICT	Secured and Efficient internet banking
ICT Development	Pearson Correlation	1	.437*
	Sig. (2-tailed)		.012
	N	32	32
Secured internet banking	Pearson Correlation	.437*	1
	Sig. (2-tailed)	.012	
	N	32	33

The table shows that there is a positive correlation between ICT development and secured and efficient internet banking.

H0: ICT development positively impacts on secured and efficient internet banking

#### **4.7 CHAPTER SUMMARY**

This chapter analysed and discussed the findings in relation to the objectives and the literature review. The response rate of the 100 questionnaires sent out to staff and management and the clients was 64%.

The study findings reveal that well developed ICT contributes positively to customer satisfaction agreeing with the hypothesis H0: Well developed ICT contributes positively to customer satisfaction. It can be drawn from the results that where MBCA bank has fully implemented ICT products like internet banking, ATMs, electronic funds transfer, mukuru.com, full branch computerisation mainly the core banking system, short message alerts that customers were happy and this has resulted in efficiency and effective service to the ultimate customers. It can also be noted that where MBCA bank has short changed its customers in terms of services like the absence of point of sale terminals, mobile banking, credit cards, electronic bill payment and Customer Relationship Management, customers have shown dissatisfaction. The highlighted issues are discussed in Chapter five together with recommendations.

# CHAPTER FIVE

## CONCLUSIONS AND RECOMMENDATIONS

### 5.0 INTRODUCTION

This section provides conclusions and recommendations emanating from the research findings. The chapter also appraises the hypothesis that there is a link between ICT and customer satisfaction. Furthermore, it gives recommendations on how ICT development can improve customer satisfaction. Research is of course not ultimate and may require some highlights of areas of further research to future work in this area.

### 5.1 CONCLUSIONS

This chapter draws conclusions from the findings discussed in chapter four.

#### 5.1.1 To examine the link between ICT and customer satisfaction at MBCA bank.

- The study established that customers could not confidently conclude that they could access their desired bank information and services to the best of their ability. Customers showed dissatisfaction where MBCA bank was not doing well in terms of service provisioning. It was concluded that customer dissatisfaction was due to delays in the provisioning of ATM cards, unreliability of the systems, failure to offer certain services like mobile banking, e-bill, credit cards and Point of Sale terminals.
- Customers managed to comment on the level of satisfaction looking at areas such as responsiveness of the services, the physical equipment, security of the e-banking and reliability. Customers disagreed that MBCA bank offered an efficient response, this again contributed to customer dissatisfaction.

### **5.1.2 To determine whether MBCA bank has appropriate ICT in place to foster customer satisfaction.**

- The study found that most prominent ICT services which are being offered by MBCA bank are ATM, Rand money transfer, electronic funds transfer, internet banking, full branch computerisation and up to date equipment. It was concluded that MBCA bank has appropriate ICT in place although there is room for improvements to enhance customer satisfaction.
- The less common ICT services at the bank were found to be credit cards; electronic bill pay, mobile banking, sms alerts and point of sale. These services contributed to the dissatisfaction of the customers.
- Customers were happy with the internet banking service and it was therefore concluded the level of customer satisfaction was improved where ICT services were being offered.
- The findings also revealed that MBCA bank does not have mobile banking which affected customer satisfaction.
- MBCA bank does not offer e-bill which allows users to do electronic billing from anywhere anytime. This brings convenience to customers. It was concluded that this had a negative impact on the customer satisfaction.

### **5.1.3 To establish how MBCA bank can use ICT to improve customer satisfaction.**

- The study found and concluded that MBCA bank customers' do not access desired information concerning their bank quickly using things like websites and also through e-banking and through customised banking products. The bank can use internet banking (MBCAnet) in a bid to improve customer satisfaction thereby allowing customers to do banking anywhere.

- The study found and concluded that the bank's services are not dependable and reliable and that IT banking services require running on a stable platform if it is to enhance customer satisfaction.
- The research found and concluded that the responsiveness of services at MBCA bank is not prompt enough. This means that service at the bank is not fast and efficient enough to increase satisfaction level.
- The study found that the bank does not have adequate ICT equipment to increase its coverage of ICT products to customers. It was concluded that there was need to invest more on the equipment.
- It was concluded that mobile banking of MBCA is not well pronounced and that its customers rarely communicate with their bank through SMS alerts and other electronic means. Bringing mobile banking on board will definitely improve on customer satisfaction.

## **5.4 HYPOTHESIS VALIDATION**

The hypothesis that well developed ICT impacts positively on customer satisfaction is adopted. This is because of positive correlations which were exhibited on ICT development and Promptness of service, ICT development and Reliability dependability and ICT development and Security and efficiency of internet banking.

## **5.4 RECOMMENDATIONS**

The study makes the following recommendations;

### **5.3.1 Invest in ICT new products and services**

The bank has to invest a lot of effort both introducing new ICT services and increase the level of awareness among existing and prospective customers about the benefits of these products and services. It is recommended that the success of E-banking depends squarely on customers' satisfaction of the e-products and e-services. MBCA bank is recommended to increase its ICT services range for customers to benefit from its e-banking initiatives.

The study recommends that customer can use internet and mobile banking, enabling them to perform all most of the activities that can be performed into the bank premises, a customer transfer his funds to others, issue demand drafts, pay their credit card and utility bills, purchase mobile prepay cards and even shop directly from his account using bank websites.

### **5.3.2 Invest in Customer Relationship management system**

The study recommended MBCA bank to understand its customers through research, building a customer relationship and act on the expectation of customers than of the bank itself. There is need for MBCA bank to have a Customer Relationship Management system in place as this will improve understating of the customer needs and coming up with products and services which are tailor made to suite customer requirements.

### **5.3.3 Integrate technology**

The study recommends MBCA bank to integrate technology effectively and appropriately to aid service performance. Deploying Information technology support functions fosters one-to-one relationships with each individual customer at any time (Shoemaker, 2001).

### **5.3.4 Invest in e-banking and mobile banking platforms**

It is recommended that MBCA bank should increase the visibility of the bank's website, make it easy to access, quick to respond and to provide adequate security to customer accounts details. The bank is recommended to improve on its on-line, real-time banking services since this gives a birth right of the customer as the customer demands the flexibility of operating anywhere anytime.

### **5.3.5 Invest in security of the systems**

There is need for MBCA bank to invest in security in a bid to give customers confidence in using e-banking and mobile banking platforms.

### **5.3.6 Promote innovation**

The bank is recommended to be innovative in providing convenient service to clients. There is need for the bank to continuously lookout for new developments in ICT and products on the market both locally and regionally.

## **5.5 AREAS OF FUTHER STUDY**

While this research might have served its purpose in producing useful insights into the evaluation of the contribution of ICT to customer satisfaction, it is felt that the scope of the research could be expanded to the whole sector. Issues to do with customer care, follow ups on existing and new customers thus marketing issues cannot be left in isolation.

## **5.6 CHAPTER SUMMARY**

This chapter gave conclusions derived from the research findings and the analysis that was done in chapter four. The researcher concluded that there is a positive correlation between ICT and customer satisfaction as fully implementing ICT services managed to improve customer satisfaction. The research managed to pick where the bank was doing well and where there was need for improvement in a bid to increase customer satisfaction.



## REFERENCES

1. Al-Abed, S.A (2003): **Electronic Banking**, available at [http://www.bankersonline.com/technology/gurus\\_tech081803d.html](http://www.bankersonline.com/technology/gurus_tech081803d.html)
2. Aladwani, A. M. (2001, P. 219), "Online banking: A field study of drivers, development challenges and expectations", *International Journal of Information Management*, Vol. 21, pp. 213-325.
3. Al-Hawar, M., Hartley, N. and Ward, T. (2005), "Measuring Bank's Automated Service Quality: A Confirmatory Factor Analysis Approach", *Marketing Bulletin*, Vol. 16:1, pp. 1-19,
4. Al-Somali SA, Gholami R, Clegg B (2008). Internet Banking Acceptance in the Context of Developing Countries: An Extension of the Technology Acceptance Model.
5. Anderson, E. and Mittal, V. (2000). Strengthening the satisfaction-profit chain. **Journal of Service Research**, v.3, n.2 pp.107–120.
6. Arora C. (2003). A framework for assessing e-Commerce in Sub-Saharan Africa. *Journal of Global Information Technology Management*, 6(3) 44-66.
7. Balachandher, K.G (2001): **Electronic Banking in Malaysia: A Note on Evolution**
8. BankAway, A (2001): **Electronic Banking: The Ultimate Guide To Business And of Services and Consumer Reactions**, Multimedia University, Malaysia,
9. Berger A. N. (2003), The economic effects of technological progress: evidence from the banking industry. *Journal of Money, Credit, Banking*, 35 (2): 141-176.
10. Berger PD, Bolton RN, Bowman D, Briggs E, Kumar V, Parasuraman A, Creed T (2002). Marketing Actions and the Value of Customer Assets. *J. Serv. Res.*, 5(1): 39-54.
11. Berry, L. L. and Parasuraman, A. (1990), *Marketing Services*. New York: The Free Press.
12. Birn, P. H. 2002. The choice of strategic alternatives under increasing regulation in high technology industries.

13. Boateng, F. and Muller, R (2006). Banking Solution, Neptunes Software Plc., Retrieved 9 April 2013, from [http://www.neptunesoftwareplc.com/eqinox\\_universal\\_banking\\_solution.htm](http://www.neptunesoftwareplc.com/eqinox_universal_banking_solution.htm).
14. Bolton, R.N. (1998). A Multistage Model of Customer's Assessments of Service Quality and Value, in: *Journal of Consumer Research*, Vol. 17 (October), pp. 375-384
15. Boon, O.H., and Yu, C.M., (2000). Success factors in e-channels: The Malaysian banking scenario. *International Journal of Bank Marketing*. 21 (6), 369-77.
16. Bryman, L. (1988) *The Management Research Handbook*. Routledge
17. Burr, W. (1996): "Wie Informationstechnik Die Bankorganisation Verändern"
18. CIA World Fact Book, [indexmundi.com/zimbabwe/unemployment\\_rate.html](http://indexmundi.com/zimbabwe/unemployment_rate.html)
19. Carse, H.T (1999): "The Effect Of Information Technology On Banking Services", **Economic Review**, Federal Reserve Bank of Richmond, Vol. 77(2), pp.16-28.
20. Casalo L, Flavián C, Guinalú M (2008). The role of usability and satisfaction in the consumer's commitment to a financial services website. *Int. J. Electronic Financ.*, 2(1): 2008-2031.
21. Chakrabarty, S., Whitten, D., and Green, K.(2007) "Understanding Service Quality and Relationship Quality in IS outsourcing: Client Orientation & Promotion, Project Management Effectiveness, and the Task-Technology-Structure Fit," *Journal of Computer Information System*, 2008, pp. 1-15.
22. Cooper, D. R., & Schindler, P, S, (20011). *Business Research Methods*, 10<sup>th</sup> edition. McGraw-Hill, New York.
23. Corbetta, S. (2003) *Survey Research Methods*, Sage, Beverly Hills, CA.
24. Creswell, J.W. 1999. *A Framework for The Study in Research Design: Qualitative and Quantitative Approaches*. C.A: Sag
25. Cronin, J. and Taylor, S.A. (1992). Measuring service quality: a Reexamination and extension, *Journal of Marketing*, 56 (July), pp. 55-68
26. Daniel, E., (1999). Provision of electronic banking in the UK and the republic of Ireland, *International Journal of Bank Marketing*. 17 (2), 72-82.

27. Davenport TH, Harris JG, Kohli AK (2001). How Do They Know Their Customers So Well? *Sloan Manag. Rev.*, 42(2): 63-73
28. Davis, K. (2003), "An Expanded View of the Social Responsibility of Business," in Beauchamp, T.L. and Bowie, N.E. (Eds.), *Ethical Theory and Business*, Prentice-Hall, Inc, Englewood Cliffs, pp. 94-97
29. De Vaus, D.(1990). *Analyzing social science data*. London: Sage Publication
30. Dendere J. *The Zimbabwe Independent*, 25 July 2008).
31. DFID, (2004). *Zimbabwe's Challenge: Equity in Health Sector Responses to HIV and AIDS in Zimbabwe*: Harare
32. Dubois, A. , Joliber, C. and Muhlhancher,S. (2007) *Survey Research Methods* (Revised Ed.), Beverly Hills: SagePublications.
33. Durkin and Howcroft (2003) *E-Banking: Status, Trends, Challenges and Policy Issues*, conference on The Development and Supervision of E-banking, Shanghai, Nov. 24-26
34. Economides, N. and Salop, S. (1992), Competition and integration among complements, and network market structure. *The Journal of Industrial Economics*, XL (1): 105-123.
35. Eriksson, A. Kerem, R& Nilsson, P 2005 *Banking Over the Internet*, *Office of the Comptroller of the Currency Quarterly Journal*, Vol. 17, No. 4.
36. Farrell J. and Saloner G. (1985), Standardization, compatibility and innovation. *RAND Journal of Economics*, 16 (1): 70-83.
37. Gao P, Owolabi O (2008). Consumer adoption of internet banking in Nigeria.
38. Gavin, D. A. (1987) "Competing on The Eight Dimentions of Quality," *Havard Business Review*, 1987, pp. 101-109.
39. Gay LR (1992). *Educational Research Competencies for Analysis and Application*. New York: Macmillan.
40. Georgia Marfo and Emma Anamuah-Mensah (2009) . *The Price Waterhouse Guide to Activity-based Costing for Financial Institutions*, Irwin Books, Burr Ridge, IL.

41. Gommans, M., Krishnan, K.S. and Scheffold, K.B. (2001). From Brand Loyalty to E-Loyalty: A Conceptual Framework, *Journal of Economic and Social Research* 3(1), pp.43-58
42. HALLOWELL, R. (1996). The relationships of customer satisfaction, customer loyalty, and profitability: an empirical study. **International Journal of Service Industry Management**, v.7, n.4, pp. 27-42
43. Haywood KM (1989). Managing Word of Mouth Communications. *J. Serv. Mark.*, 3(2): 55-67.
44. Herring, S. and Santomero, J. (1996), 'Innovation Culture and Ownership Structure Do Matter', *Journal of Developmental Entrepreneurship*, 8, (1) 1-17.
45. Heskett JL, Jones TO, Loveman G, Sasser WE, Schlesinger LA (1994). Putting the Service-Profit Chain to Work. *Harvard Bus. Rev.*, 72(2): 164-170.
46. Ho, S. J. & Mallick, S. K. (2010). The Impact of Information Technology on the Banking Industry: Theory and Empirics. *Journal of the Operational Research Society*, 2(1)
47. Hogan JE, Lemon KN, Rust RT (2002). Customer Equity Management: Charting New Directions for Future of Marketing. *J. Serv. Res.*, 5(1): 4-12.
48. Jain, S.K. and Gupta, G. (2004). Measuring Service Quality: SERVQUAL vs. SERVPERF Scales, *VIKALPA*, Volume 29, No 2, April - June 2004, pp 25-37
49. Katri K (2003). Adoption of electronic banking: underlying consumer behaviour and critical success factors. Case of Estonia.
50. Katz, M. & Shapiro, C. (1985). Network externalities, competition, and compatibility. *The American Economic Review*, 75(3), 424-440.
51. Khan Saadullah (2007) "Adoption issues of internet banking in Pakistani's firms" *Lulea university of Technology*.
52. Khan SK (2007). Adoption Issues of Internet Banking in Pakistani's Firms, Lulea University of Technology, Sweden.
53. Könnte, "In Lustsik, O (2004), **Can E-Banking Services Be Profitable?**, Tartu University Press, Estonia
54. Kotler P, Armstrong G (2002). Principles of Marketing . Taipei: Tung-Hwa.

55. Kozak, S. (2005). The role of information technology in the profit and cost efficiency improvements of the banking sector. *Journal of Academy of Business and Economics*, 2(1).
56. KRISHNAN, M., RAMASWAMY, V., MEYER, M. and DAMIEN, P. (1999). Customer satisfaction for financial services: the role of products, services, and information technology, **Management Science**, v.45, n.9, pp.1194-1209.
57. Kumbhar Vijay (2010), Alternative Banking: An Modern Practice in India, Professional Banker, Vol. IX, Issue 9, December 2009, The ICFAI University Press.
58. Kumbhar Vijay M.(2011), Factors Affecting on Customers' Satisfaction: An Empirical Investigation of ATM Service, in International Journal of Business Economics and Management Research (Refereed and Indexed Journal)
59. Levine, R., Beck, T., and Loayza, N. (2000). Finance and sources of growth. *Journal of Financial Economics*, 58 (1/2), 261-300.
60. Lichtenstein, S. and Williamson, K. (2006), "Understanding consumer adoption of internet banking: an interpretive study in the Australian banking context", *Journal of Electronic Commerce Research*, Vol. 7: 2, pp.50-66.
61. Lustsik, O (2004): *Can E-Banking Services Be Profitable?*, Tartu University Press, Estonia.

62. Marsh, A. (1992). *The case study as a research method*. Unpublished paper, University of Texas at Austin. MBCA bank Annual Report (2012) *MBCA bank Human Resources Report, 2013*.
63. MBCA bank marketing Report (April 2013).
64. MBCA bank Annual Report (2012)
65. *MBCA bank Human Resources Report, 2013*
66. MBCA bank Annual Report (2012)
67. *MBCA bank Human ICT and MIS Report, 2013*
68. Miles, M.B., Huberman, A.M (1994) *Qualitative Data Analysis: An expanded source book (2<sup>nd</sup> edition)*, Sage: London & Thousand Oaks, California.
69. Miller D (1996). Configuration Revisited. *J. Strateg. Manag.*, 17(1): 505- 512.
70. Moorthy S, Srinivasan K (1995). Signaling Quality with a Money-Back Guarantee: The Role of Transaction Costs. *J. Mark. Sci.*, 14(4): 442-446.
71. Moser, C. and Kalton, G. (2001) *Survey Methods in Social Investigation*, 2nd edn. London: Heinemann
72. Moutinho, L., Phillips, P.A. (2002), "The impact of strategic planning on the competitiveness, performance and effectiveness of bank branches: a neural network analysis", *International Journal of Bank Marketing*, Vol. 20 No.3, pp.102-110.
73. Mudie P, Cottam A (1993). *The Management and Marketing of Services*. Oxford: Butterworth-Heinemann.
74. Mukarati, F. (2005) Financial distress and corporate governance in Zimbabwean banks', *Journal of Corporate Governance*, 6 (5) p45-50
75. Nachmias, A and Nachmias, B. (2003) "*The survey method: the contribution of surveys to sociological explanation*", London, Allen and Unwin.
76. Nathan Associates, (2003), 'Successful integration in the global economy: Costa Rica and Mauritius', Research report, USAID; available at [http://www.dec.org/pdf\\_docs/PNACS No. 4, , pp. 30=40](http://www.dec.org/pdf_docs/PNACS No. 4, , pp. 30=40)
77. Ndubisi, N.O., (2003). Consumer Attitudes, System's Characteristics and Internet Banking Adoption in Malaysia, *Management Research News*, 29 (1/2), 16-27.

78. Oliver Richard L., (1980), A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions, *Journal of Marketing Research*, Vol. 17, No. 4 (Nov., 1980), pp. 460-469
79. Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985). A Conceptual Model of Service Quality and Its Implications for Future Research, *The Journal of Marketing*, Vol. 49, No. 4 (Autumn, 1985), pp. 41-50
80. Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1988). SERVQUAL: A Multiple-Item Scale For Measuring Consumer Perceptions Of Service Quality, *Journal Of Retailing*, Spring, Volume 64, Number 1, pp. 12-40.
81. Parasuraman, A., Zeithaml, V.A. and Malhotra, A. (2005). E-S-QUAL: A Multiple-Item Scale for Assessing Electronic Service Quality, *Journal of Service Research*, Volume 7, No. X, Month 2005, pp. 1-21
82. Piccoli G, Ives B (2005). IT-dependent Strategic Initiatives and Sustained Competitive Advantage: A Review and Synthesis of the Literature. *MIS Q.*, 29(4): 747-776.
83. Polit D F. and Beck C.T (2005) The survey method: the contribution of surveys to sociological explanation", *London, Allen and Unwin*
84. Power JD, Associates R (2009). Customer Commitment to Retail Banks Continues Decline. Retrieved on May 20, 2009] from World Wide Web: <http://bankmarketingnews.org/2009/05/20/customer-commitment-to-retail-banks-continues-decline.asp>
85. Raman SR, Alam N, Mphil MK (2008). Information Technology in Malaysia: E-service quality and Uptake of Internet banking. Retrieved on [January, 2010] from World Wide Web: [http://www.arraydev.com/commerce/JIBC/2008-08/JIBCArticle\\_MuraliRaman.pdf](http://www.arraydev.com/commerce/JIBC/2008-08/JIBCArticle_MuraliRaman.pdf).
86. Rapid Business Improvement, (2007)
87. REICHHELD, F. . (1996). The loyalty effect. **Harvard Business School Press.** Boston.
88. Sacks and Apostolov (2003), *Trade Facilitation: The Challenge for growth and Development*, United Nations, New York and Geneva.

89. Saffu, K. and Walker, S. (2008), Service quality in the banking sector: the impact of technology on service delivery, *International Journal of Bank Marketing*, 17 (4), 182-191.
90. Saha P, Zhao Y (2005). Relationship between online service quality and customer satisfaction, a study in Internet banking. Retrieved on [April, 2013] from World Wide Web: <http://epubl.ltu.se/1404-5508/2005/083/LTU-SHU-EX-05083-SE.pdf> <http://epubl.ltu.se/1404-5508/2005/083/LTU-SHU-EX-05083-SE.pdf>.
91. Saunders, M., Lewis, P., and Thornhill, A. (1997). *Research Methods for Business Students*, 3<sup>rd</sup> Edition, Prentice Hall.
92. Sergeant, C (2000): E Banking: Risks And Responses, B & B Societies Financial Services, USA, at <http://www.fsa.gov.uk/pubs/speeches/sp46.html>
93. Shamim Salman and Sardar Kashif (2010), "*Electronic banking and e-readiness adoption*
94. Sharma A, Levy M, Kumar A (2000). Knowledge Structures of Salespeople as Antecedents of Retail Sales Performance: An Empirical Examination. *J. Retail.*, 76(1): 53-69.
95. Shoemaker ME (2001). A Framework for Examining IT-Enabled Enabled Market Relationships. *Personal Selling Sales Manag.*, 21(2): 177-186.
96. Smith AK, Bolton RN (1998). An Experimental Investigation of Customer Reactions to Service Failure and Recovery Encounters: Paradox or Peril? *J. Serv. Res.*, 1(1): 65-81.
97. Smith, J. M. & Bolton, L. (1998). The knowledge economy and SMEs: a survey of skills requirement. *Business Information Review*, 17(3), 138-46.
98. The IMF and The World Bank (2008) ,Bretton Woods institutions
99. Villanueva J, Yoo S, Hanssens DM (2008). The Impact of Marketing- Induced vs. Word-of-Mouth Customer Acquisition on Customer Equity Growth. *J. Mark. Res.*, 45(1): 48-59.
100. Walker, A., Smither, J. and Waldman, D. (2008), —*A longitudinal examination of concomitant changes in team leadership and customer satisfaction*ll, *Personnel Psychology*, Vol. 61 No. 3, pp. 547 77



101. Wole Michael Olatokun (2007) "*The Adoption of Automatic Teller Machines in Nigeria: An Application of the Theory of Diffusion of Innovation*". (382) 373-393.
102. Yang Z, Fang X (2004). *Online service quality dimensions and their relationships with satisfaction*. Int. J. Serv. Ind. Manage., 15(3): 302-326.
103. Yoon, Cheolho., (2010), "*Antecedents of customer satisfaction with online banking in china: The effects of experience*", *Computers in Human Behavior*.
104. Zeithaml VA, Rust RT, Lemon KN (2001). *The Customer Pyramid: Creating and Serving Profitable Customers*. Calif. Manag. Rev.,43(4): 118-142.
105. MBCA bank Annual Report (2012)
106. *MBCA bank Human Resources Report, 2013*
107. [www.rbz.co.zw/mpolicy/mpolicycontent.asp](http://www.rbz.co.zw/mpolicy/mpolicycontent.asp) accessed 23 March 2013
108. WHO (Global Alert and Response), 2008
109. [www.unfpa.org](http://www.unfpa.org) accessed 25 April 2013

## **APPENDIX A**

### **Staff and management Questionnaire**

**MBCA bank**

**Dear Colleagues**

My name is Richard Jena and I am a final year student at the Graduate School of Management at the University of Zimbabwe studying for the Masters in Business Administration degree. As part of my program requirements I have to carry out a research study linked to any identified business problem in an organization or industry of my choice. The title of the research is:

**An evaluation of the contribution of ICT to customer satisfaction in the banking sector in Zimbabwe using a case study of MBCA bank from June 2010 to June 2013.**

I am therefore kindly requesting you to assist me fulfill my journey by answering the attached questionnaire to the best of your ability. The research findings are purely for academic purposes. The information gathered will be treated in the strictest confidence. I will be grateful if I could have your responses not later than 15 July 2013. Should you require clarification on any questions or have any queries, please do not hesitate to contact me on 0772154001.

Your cooperation in this regard will be very much appreciated.

Yours sincerely

R. Jena

## Instructions

1. Answer all questions
2. Do not write your name
3. Please note the following :

**SA=** Strongly Agree

**A=** Agree

**NS=** Not Sure

**D=** Disagree

**SD=** Strongly Disagree

4. Tick in the appropriate box

### **SECTION A: DEMOGRAPHIC QUESTIONS**

1. What is your work position at MBCA bank?

Senior management

Middle management

Junior management

Non- managerial staff

2. For how long have you been working at MBCA bank?

Less than a year

1- 3 years

4 - 6 years

7 - 9 years

Above 10 years

3. Which of the following ICT banking services does MBCA bank offer?

Up-to-date equipment and physical facilities which rides on IT	
Full Branch computerized systems	
Automated Teller Machines (ATM)	
Point Of Sale (POS)	
Internet banking	
Mobile banking	
Short Messages (SMS) alerts	
Credit card	
Electronic Funds Transfer (EFT)	
Customer Relationship Management (CRM)	
Electronic bill pay (E-bill pay)	
Mukuru.com (Rand money transfer system)	

**SECTION B: LINK BETWEEN ICT AND CUSTOMER SATISFACTION**

Item		SA	A	NS	D	SD
		5	4	3	2	1
1	MBCA bank customers access the desired information concerning their bank quickly					
2	The output format of MBCAnet website is easy to read					
3	The MBCAnet websites of MBCA bank is user friendly					
4	Customers are satisfied with the MBCAnet e-banking system					
5	MBCA bank provides customized products or service					
6	MBCA bank offers innovative products or services					

<b>7</b>	MBCA bank products and services are reasonably priced					
<b>8</b>	ICT systems at MBCA bank offer customer support					
<b>9</b>	MBCA Bank is always online across the branches					

### SECTION C: APPROPRIATE ICT TO FOSTER CUSTOMER SATISFACTION

<b>Item</b>	<b>SA</b>	<b>A</b>	<b>NS</b>	<b>D</b>	<b>SD</b>	
	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	
<b>1</b>	MBCA Bank customers appreciate the modern equipment and up to date physical facilities					
<b>2</b>	MBCA bank has full branch computerization					
<b>3</b>	The ATMs are always working and online					
<b>4</b>	MBCA bank customers use ATMs often					
<b>5</b>	MBCA bank offers Internet banking systems					
<b>6</b>	MBCA bank customers appreciate the internet banking					
<b>7</b>	MBCA bank customers use Mobile banking often					
<b>8</b>	MBCA bank customers communicate with their bank through SMS alerts and other electronic means					
<b>9</b>	MBCA bank offers Credit cards to its customers					

10	Customers pay their bills through E-bill pay					
----	--	--	--	--	--	--

**SECTION D: HOW CAN ICT BE USED TO IMPROVE CUSTOMER SATISFACTION**

Item		SA	A	NS	D	SD
		5	4	3	2	1
1	MBCA bank understands the total customer experience through service blue printing					
2	MBCA bank measures service operations via customer defined rather than company-defined standards					
3	MBCA bank employs well-defined new service development and innovation practices –“services Research and Development”					
4	MBCA bank builds relationships by understanding and meeting customer needs over time					
5	MBCA bank knows and act on what customers expect when they experience a service failure					
6	MBCA bank integrates technology effectively and appropriately to aid service performance					

**END OF QUESTIONNAIRE**

**THANK YOU FOR TAKING YOUR VALUED TIME TO ANSWER THIS QUESTIONNAIRE**

## LETTER TO PROSPECTIVE RESPONDENSES

### APPENDIX B

#### Questionnaire for customers

##### Dear Clients

My name is Richard Jena and I am a final year student at the Graduate School of Management at the University of Zimbabwe studying for the Masters in Business Administration degree. As part of my program requirements I have to carry out a research study linked to any identified business problem in an organization or industry of my choice. The title of the research is:

**An evaluation of the contribution of ICT to customer satisfaction in the banking sector in Zimbabwe using a case study of MBCA bank from June 2010 to June 2013.**

I am therefore kindly requesting you to assist me fulfill my journey by answering the attached questionnaire to the best of your ability. The research findings are purely for academic purposes. The information gathered will be treated in the strictest confidence. I will be grateful if I could have your responses not later than 15 July 2013. Should you require clarification on any questions or have any queries, please do not hesitate to contact me on 0772154001.

Your cooperation in this regard will be very much appreciated.

Yours sincerely

R. Jena

## QUESTIONNAIRE FOR CUSTOMERS

### QUESTIONNAIRE ON INFORMATION TECHNOLOGY AND CUSTOMER SATISFACTION

Based on your experiences as consumers of information communication technology based banking services, please provide information on how the quality of the banking services satisfies you in relation to Information technology facilities offered by your bank.

#### Instructions for completion

- Use ink only
- Mark with a tick where applicable
- Please note the following :

**SD** = Strongly Disagree

**D** = Disagree

**NS** = Not Sure

**A** = Agree

**SA** = Strongly Agree

**DK** = Don't Know

1. Gender

Male

Female



**2. Age Group**    under 25        26-35        36 – 45        46and above   

**3. For how long have you been a customer to MBCA bank?**

Less than a year            [   ]

1 - 3 years                    [   ]

3 years                        [   ]

4 years                        [   ]

5 years                        [   ]

Above 5 years                [   ]

**4. Which Information Technology based services are available at MBCA bank?**

Up-to-date equipment and physical facilities which rides on IT	
Full Branch computerized systems	
Automated Teller Machines (ATM)	
Point Of Sale (POS)	
Internet banking	
Mobile banking	
Short Messages (SMS) alerts	
Credit card	
Electronic Funds Transfer (EFT)	
Customer Relationship Management (CRM)	
Electronic bill pay (E-bill pay)	
Mukuru.com (Rand money transfer)	

**5. Indicate your satisfaction level against each statement given in the table below. Put an X in the appropriate box**

		<b>SD</b>	<b>D</b>	<b>DK</b>	<b>A</b>	<b>SA</b>
		1	2	3	4	5
1	MBCA bank gives me prompt service through the use of computerized systems.					
2	MBCA bank services are dependable and reliable					
3	MBCA bank has computerized response systems to queries and complaints					
4	I feel safe in my transactions with MBCA banking systems					
5	I can access MBCA banking services anywhere any time					
6	ATM cards are issued instantly					
7	MBCA bank has state of the art computerized systems					
8	MBCA bank gives prompt responses to my requests and queries through email and other electronic means					
9	MBCA bank services are fast and efficient					
10	IT banking services provide accurate account information					
11	IT banking services satisfy most of my banking needs					
12	The ATMS are always up and running					
13	MBCA bank mukuru.com is always up and running					
14	MBCA bank website (MBCAnet) launches and runs right away					
15	Internet banking transactions are safe on the MBCAnet (MBCA bank internet banking website)					
16	MBCA bank internet website design is visually attractive (MBCAnet)					
17	MBCA bank internet banking online content is easy to maneuver and follow					
18	It is quick to complete a banking transaction on the internet banking system					

19	MBCA bank provides secured internet banking facilities					
----	--	--	--	--	--	--

**END OF QUESTIONNAIRE**

**THANK YOU FOR TAKING YOUR VALUED TIME TO ANSWER THIS QUESTIONNAIRE**